CENTRAL SWINDON NORTH PARISH COUNCIL

ID Verde Fuel Supplement Request

Introduction

The Council received correspondence in April 2026 from its ground contractor ID Verde requesting consideration of a temporary increase in contract payments due to exceptional increases in fuel costs.

The contractor advises that the continued instability in global fuel markets is having a significant impact on its operating costs and has requested discussions regarding a fair and proportionate adjustment.

The contractor then met with the Chair of L&R and the Clerk in May 2026 to discuss these issues in detail.

Summary

The contractor has advised that the ongoing conflict involving Iran and the wider Middle East has contributed to increased volatility in global oil markets, resulting in sustained increases in fuel prices.

As fuel represents a significant proportion of the contractor's operating costs, they state that they are no longer able to absorb these additional expenses without affecting the long-term sustainability of the service.

The contractor has confirmed that it has sought to minimise the impact through operational efficiencies and cost controls before making this request.

It has also indicated that any additional payments should be linked specifically to fuel price movements and withdrawn once fuel prices stabilise.

Report

The conflict involving Iran and the wider Middle East has resulted in uncertainty across international energy markets. Concerns over oil production, transportation routes and regional security have contributed to increases in crude oil prices, which have subsequently affected diesel and petrol prices throughout the UK.

These increases have had a direct impact on organisations whose services rely heavily on vehicle operations.

The Council's contractor has formally advised that these exceptional circumstances have materially increased the cost of delivering the contracted services. Whilst the contract already provides for normal annual indexation, the contractor is requesting a temporary adjustment specifically to reflect the exceptional fuel cost increases.

The Contractor has requested an additional payment of **£548.91 per month**.

This amount equates to a 30% increase on the monthly proportioned budgeted fuel for the CPNPC contract. For reference, the average price per litre ID Verde paid in April was 36% higher than that paid in January.

The contractor has demonstrated that this request is intended to address extraordinary market conditions rather than a permanent increase.

They have also stated that the adjustment should be removed when fuel prices return to more normal levels.

Maintaining continuity of service is an important consideration for the Council. Supporting the contractor through this exceptional period may help ensure service standards continue without disruption while recognising the genuine external pressures currently affecting the industry.

To ensure appropriate governance and value for money, any agreed temporary increase should be subject to a formal review.

I have deliberately delayed the production of this report so we can better understand the impact of the war in Iran which appears to be settling and crude oil prices lowering and prepare a potential cut off date. Therefore:

Recommendation
It is recommended that:

1. Accept the contractor's request for a temporary fuel cost adjustment with effect from 1 April 2026 of **£548.91 per month.**

2. Confirm that the adjustment is temporary and relates solely to the exceptional increase in fuel costs arising from current international market conditions.

3. Make provision for **£4,391.28** against the ID Verde code and review the temporary arrangement in November 2026 to determine whether the adjustment remains justified in light of prevailing fuel prices and market conditions.

4. Delegate authority to the Clerk to monitor the arrangement and report back to Council with recommendations following the November 2026 review.

5. The contractor has advised they will provide flowers & planters for the new Council Pavilion free of charge.