

# CABINET



Report subject	<b>Vehicles and Plant Replacement- Building Maintenance and Construction Works Teams</b>
Meeting date	29 October 2025
Status	Public
Executive summary	<p>This report relates to the purchase of vehicles and plant to fulfil service delivery requirements. Vehicle purchase as opposed to lease or rental will ensure best value for money, and also allows for vehicles to be fitted out to meet essential health and safety, and operational requirements.</p> <p>The building maintenance service currently has fifteen vehicles on long term hire in order to meet the longer term demand resulting from the insourcing of services for;</p> <ul style="list-style-type: none"><li>• Damp and Mould investigation and treatment</li><li>• Water quality testing</li><li>• Repairs and maintenance for the Poole area (previously Poole Housing Partnership)</li><li>• Increased budget for kitchen and bathroom refurbishments</li><li>• Requirement to meet EPC to C standard</li></ul> <p>The service has also expanded it's disabled adaptations fitters in order to meet demand and delivery targets within Grant funded disabled adaptations work.</p> <p>Additionally, the Construction Works Team currently have one hire vehicle for a bricklaying post that has now been filled.</p> <p>The need for vans is based on the longer-term needs of BCP Homes, which are supported by budget provision within the HRA (20 vehicles) and the requirement for an extra vehicle for the Construction Works Team (CWT).</p> <p>These purchased vans will replace the currently rented vehicles and also provide for additional posts necessary to fulfil service requirements. Each operative typically requires a van to satisfy the requirements of their role, including safe tool and materials transportation and storage, and out of hours response.</p> <p>The Construction Works Team plant replacement strategy recommends the purchasing of a JCB 535/125 or equivalent</p>

	<p>Telehandler and 9 Tonne Excavator, partly funded by the sale of three existing, older items of plant that are nearing the end of their usable life. There is a requirement to prudentially up to £46,000 to meet the funding shortfall. This will be repaid over the next three years from income generated by the team through the work it delivers. This will ensure that the service avoids high rental costs, have the right specification plant for the works undertaken, can partly fund the new vehicles through resale of old plant and have reliable safe plant for future development.</p> <p>The repayment of the prudential borrowing required for both areas will be fully funded by the service and included within its recharging rates to services and customers. Both the Building Maintenance and Construction Works Team operate on a full cost recovery basis.</p>
<b>Recommendations</b>	<p><b>It is RECOMMENDED that Cabinet recommends that Audit and Governance Committee:</b></p> <p><b>a) Approves the use of prudential borrowing not exceeding £525,000 for 21 vehicles to be purchased by fleet management to support the work of the Building Maintenance and Construction Works Team service. These vehicles to then be managed within the council's fleet management strategy.</b></p> <p><b>It is RECOMMENDED that Cabinet and Audit and Governance Committee:</b></p> <p><b>b) Note that CWT plant purchases with up to £46,000 prudential borrowing requirement have been progressed under urgency powers due to health &amp; safety considerations.</b></p>
Reason for recommendations	To ensure the vehicle and plant requirements of the council's maintenance and construction teams is provided in a cost effective and safe way, allowing the services to contribute to the council's wider aims, whilst being self-funded.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Glynn Barton, Chief Operating Officer
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Wards	All

Classification	For Recommendation
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## Introduction

1. The in-house Building Maintenance Team (IHT) and Construction Works Team (CWT) are internal teams that sit within Customer and Property. The Building Maintenance Team is a team of 170 staff that undertake the repairs, maintenance, compliance and refurbishment of the 9612 BCP Homes properties, as well as voids works and repairs for Housing Options, maintenance work for corporate buildings and disabled adaptations work for private residents through the Disabled Facilities Grant. Its turnover is approximately £20m a year. The Construction Works Team undertake refurbishment and new builds for BCP Homes, corporate buildings and for external social value projects that are externally funded. CWT had a turnover of £8m in 2024-25. The two teams work closely together and share staff and expertise across many areas of their work.

## Vehicles

2. BCP Homes repairs and maintenance has undergone a consolidation of contracts that has led to a number of services being insourced to the in-house Building Maintenance service. This was in order to meet the heightened regulatory requirements set out in the Housing White paper, to support the harmonisation of service delivery and standards, and to respond to feedback from residents as part of the TSM (Tenant Satisfaction Measures) that began in 2023. This feedback showed significantly higher levels of customer satisfaction, response times and perception of safety for the areas of work undertaken by the In-house team, which at that time were focused solely on the Bournemouth area.

	Poole 23/24	Bournemouth 23/24	Q1 2025
Overall satisfaction with repairs	76%	90%	84%
Satisfaction with time taken to undertake repairs	75%	89%	85%
Is your home well maintained	76%	87%	80%
Do you live in a safe home	77%	87%	87%

3. From August 2024 the Building Maintenance service started undertaking repairs, maintenance, electrical testing and gas servicing for the BCP Homes Poole area housing stock. Some staff were Tupe'd into the service from existing contractors but this was not sufficient to meet demand that had previously been subcontracted by outgoing contractors. Staff have had to be recruited to meet the shortfall.
4. In November 2024 the Building Maintenance service became responsible for mould inspections and associated remedial works to the Poole housing stock. From April 2025 the service became responsible for testing water quality for the Poole stock. From August 2025 a greater proportion of the kitchen and bathroom replacement contract will also be delivered internally the service. In addition to these changes workload has increased due to follow on work from increased stock condition surveys, work to harmonise property standards across BCP Homes and increased demand levels due to changes in the national regulatory backdrop for social housing.
5. The Building Maintenance service provides excellence in compliance, upper tier levels of customer satisfaction, and below average costs per repair, whilst allowing full integration with BCP Homes ICT Systems and pursuance of wider social aims, such as within trade apprenticeships. The increase in work described above has resulted in a requirement for additional vehicles to support new staff.

### **Safety**

6. The safety of commercial vehicles and load carrying is an important consideration for all fleet operators. Spot checks can lead to on-the-spot fines and potential prosecution. Vehicles can be immobilised until the load is removed, the fine is paid and it is deemed safe. Drivers are personally liable. Unsafe loads can impact both our VOSA licence and the personal driver's licence and accountability. Whilst the service regularly re-enforces safe loading in toolbox talks to staff, we must ensure that vehicles are suitably equipped to support this. Hire vehicles are not properly racked meaning that plant and materials can be loose in the back of the cab. This is potentially unsafe and can lead to movement, impact, spillage and unsafe storage of materials like glass and chemicals.
7. We expect our operatives to meet high safety standards and this is monitored through hundreds of unannounced inspections by our in-house health and safety team every year. We have a duty of care to mitigate the risks of unsafe storage and transportation, and it is therefore preferable to operate fleet that is suitably equipped and prepared for the work staff are employed to do.

### **Security**

8. Break ins to trade vehicles and theft of tools remains an ongoing issue countrywide. Our council owned vehicles have extra security and locks fitted to deter theft. This is not the case with hire vehicles. It is not economical to insure tools and plant. Every theft can prove costly both to the service and the operative in terms of plant and equipment that has to be replaced. Whilst at present operatives have to replace their

own owned tools this becomes a more difficult expectation if they are not provided with a vehicle with secure storage.

### **Efficiency and customer satisfaction**

9. The service will always aim to increase efficiency by reducing repeat visits and ensuring the right van stock is available to complete the most basic repairs for that trade. If stock cannot be properly organised it leads to delays trying to find the right material and equipment and inefficiency when people return to merchants if it isn't found. This can add £50 of operative time to a repeat job, plus the administrative overhead of rebooking and the detriment to customer satisfaction. Whilst the service has upper quartile levels of customer satisfaction, the most common response where a customer is not satisfied is if we were not able to fix on first visit.

### **Performance management**

10. Our owned vehicles once purchased are then included in the overall fleet management system. Part of this ensures that all vehicles are tracked and allocated to a specific driver with up to date information. This is very important as it means that vehicle usage can be checked and monitored by managers and transport staff. Tracking data has formed part of disciplinary investigations, including gross misconduct - it is essential that this is available.

### **Plant**

11. The Construction Works Team Plant Replacement Program 2025-2027 is shown at Appendix B. The team owns various plant bought through re-investment of income over a number of years. In order to ensure that the team can continue to provide an efficient and safe service to its clients it needs to sell three older bits of plant and buy a newer Telehandler and 9 Tonne Excavator. This will require a maximum £46,000 borrowing requirement that will be repaid within three years through its income generation.
12. The purpose of the Plant Replacement Program 2025-2027 is to;
  - Avoid high-cost rental machines which may not be suitably specified for the work required, and which staff may require additional training to operate.
  - Sell plant no longer required while it has some residual resale value, to offset the cost of newer, more reliable plant.
  - Invest in safer, more environmentally friendly plant that with a higher resale value.
  - Reduce unproductive down time on breakdowns, and inefficiency caused by under specified machines.
  - Equip the team to support the council with a wide range of works including demolitions and new build that can otherwise prove extremely expensive for services to procure separately.
13. A five year CWT Plant Strategy is being developed to assess depreciation, budget, year on year investment and replacement based on lifespan/usage/cost. However, due to the pressing health & safety and operational implications of continuing to rely on aging plant a decision has been made via a Officer Decision Record to progress their

replacement urgently. With regard to these specific items this report aims to ensure transparency to that decision, and to allow for the appropriate governance process and involvement of Audit & Scrutiny Committee in relation to the associated borrowing requirements.

### Procurement Options

#### 14. Option 1 – Prudential borrowing for purchase

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Best value for money</li> <li>• Own the assets</li> <li>• Costs borne by the service through income no – impact to general fund or HRA budgets</li> <li>• Safest option</li> <li>• Most efficient option in terms of operations</li> <li>• Secure income stream</li> </ul>	<ul style="list-style-type: none"> <li>• Need to prudentially borrow</li> </ul>

#### 15. Option 2 – Continue to rent vehicles

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• No borrowing</li> </ul>	<ul style="list-style-type: none"> <li>• More expensive than buying</li> <li>• Do not own assets</li> <li>• Cost at end of hire</li> <li>• Less safe for operatives and other road users (safe storage)</li> <li>• Inefficient operationally</li> <li>• Risk of budget overspend on HRA work or cost overruns on projects</li> </ul>

#### 16. Option 3 – Lease

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• No borrowing</li> </ul>	<ul style="list-style-type: none"> <li>• Costs in line with hire</li> <li>• 12 month lead time</li> <li>• Do not own assets</li> <li>• Cost at end of lease</li> <li>• Risk of budget overspend on HRA work or cost overruns on projects</li> </ul>

### Summary of financial implications

17. In 2025/26 newly combined budgets for Repairs and Maintenance across BCP Homes were created and an open book pricing arrangement entered into with the Housing Revenue Account, through BCP Council's teckal company BBML, (Bournemouth Building and Maintenance Limited). The number of staff budgeted for in each of the areas of work and overhead costs were calculated. These allow for £8000 of vehicle costs per operative, the cost is recovered through the hourly rate or through direct recharges through the open book model, depending on the client.
18. The service currently has 15 operatives whose vehicle requirements are being met through hire vehicles, the excess costs of which puts pressure on the agreed hourly rates, budgeted costs and fleet management costs. If not resolved this will lead to cost overruns for BCP Homes within these areas. Overheads and hourly rate charges allow for a cost of £8000 per annum for the repayment of prudential borrowing, fleet management and fuel. The true cost is adjusted once actual costs are received from fleet. The estimates below do not include fuel costs which would apply to both hired and owned vehicles. This allows for the purchase of a vehicle over 9 years which is then sold with a capital receipt retained within Fleet Management.
19. CWT currently has a requirement to purchase one vehicle for a new member of staff who is currently in a hire vehicle. This is an income generational post and the cost is being met through increased demand for bricklaying and difficulty subcontracting in this area.
20. Consequently, approval is being sought to purchase, via borrowing, a total of 21 vans to meet Building Maintenance and CWT needs. It is anticipated that Fleet Management will be able to procure these vehicles incrementally at a cost not exceeding £525,000 although this will be dependent on availability and cost variances over the procurement timescale. Procurement completed in this way avoids long lead in times for brand new vehicles and the higher cost of new vehicles compared to low mileage preowned.
21. The table below sets out the current and lifetime cost of hire in comparison to purchase showing the vehicle purchase saving per annum and over the lifetime of vehicles.
22. The estimated cost of one vehicle is £25,004 therefore the total maximum borrowing requirement is £525,000. The cost of borrowing is calculated assuming the low risk interest rate of 5.5% over a 9 year lifecycle.

	Hire cost per annum per vehicle	Insurance damage per annum per vehicle	Cost per vehicle per annum	Cost per vehicle over 9 years	Residual vehicle value	Net cost per vehicle over 9 years	Net cost of 21 vehicles over 9 years
Cost of a hire vehicle	£ 8,332	£ 750	£ 9,082	£ 81,738	£ -	£ 81,738	£ 1,716,498
	Prudential borrowing repayment per vehicle	cost of repairs and maintenance per vehicle					
Cost of purchasing a £25,000 vehicle	4,153	2,600	6,753	60,781	(4,000)	56,781	1,192,401
<b>Vehicle purchase savings</b>			<b>(2,329)</b>	<b>(20,957)</b>	<b>(4,000)</b>	<b>(24,957)</b>	<b>(524,097)</b>

23. The Construction Works Team Plant Replacement Program 2025-2027 is shown at Appendix B. The team owns various plant bought through re-investment of income over a number of years. In order to ensure that the team can continue to provide an efficient and safe service to its clients it needs to sell three older bits of plant and buy a newer Telehandler and 9 Tonne Excavator. This will require a maximum £46,000 borrowing that will be repaid within three years through its income generation.

24. The annual repayment is calculated using the low risk interest rate of 5.5%.

25. Borrowing to be repaid through income, decreased hire and upkeep costs over next three years.

26. The replacement of telehandler and excavator have been progressed under the emergency powers due to health and safety considerations.

Telehandler replacement	Current Telehandler Re-sale Value	Two Year Old Telehandler Low Hours Cost	Maximum Prudential Borrowing Requirement	Interest Over Three Years	Annual Repayment including principal
	£24,000	£60-70,000	£46,000	£7,590	£17,863

Excavator replacement	Resale Value of Current Plant	Cost of low usage 15 Tonne Cat	Maximum Prudential Borrowing Requirement	Interest Over Three Years	Annual Repayment
	£70-75,000	£70-75,000	0	0	0

### Summary of Legal Implications

27. The purchased vehicles and plant would be owned by BCP council. A Purchase Decision Record will be completed to demonstrate value for money for each purchase. The vehicles once bought will be included in the overall Fleet Management Strategy of BCP Council.

### Summary of human resources implications

28. No human resource implications apply

### Summary of Sustainability Impact

29. When vehicle and plant purchases are made, an assessment is undertaken to try to find the most environmentally sound option. As technology improves newer plant / vehicles are more efficient. Where possible for vehicles electrical vehicles are bought, depending on what is feasible in terms of charging for its particular use.



## **Equalities**

30. Equalities impacts do not apply.

## **Summary of risk assessment**

31. Risk is relatively low as the prudential borrowing will be used to buy plant and vehicles that will only depreciate gradually over the repayment period. Any purchases will be subject to a Procurement Decision Record to ensure best value. The budgets that drive the demand for these vehicles are longer term Housing Revenue Accounts budgets that are relatively secure and funded through the rental receipts of BCP Homes residents. Given the breadth of work undertaken by the internal delivery team any adjustment in budgets can be addressed through the re-allocation of staff to budget area.

## **Summary**

32. It is considered preferable to prudentially borrow and spot purchase 21 vehicles through fleet management. Costs will be borne by the service and will be visible through the open book model with HRA, with hourly rates charges to other clients. Low mileage vehicles will be sought through the market at the lowest possible cost whilst having suitable racking and security that can help meet first time fix and customer satisfaction KPIs, whilst having lower overall maintenance and repairs costs for fleet.

33. CWT plant requirements will be met from securing appropriately specified preowned low hours machines, and a PDR will be completed to ensure best value has been obtained.

## **Appendices**

Appendix A Building Maintenance In House Team vehicle requirements

Appendix B CWT Plant Replacement Requirements

**Appendix A – Building Maintenance In House Team Vehicle requirements**

HRA Budget	Budget Description	Budget (K)	Staff Required	Vehicle Shortfall
Responsive	Elec Repairs	624	6	2
	Responsive Mould	846	8	4
Capital	Bathrooms	500	6	2
	Kitchens	1800	20	12
Total - 20 vehicles				

## Appendix B

### Construction Works Team (CWT) t/a Seascope Construction

#### Plant Replacement Requirements 2025-2027

##### Introduction

This report aims to set the current position of CWT with regard to construction plant assets and set out a strategy for the ongoing replacement.

The aim is to ensure that a considered replacement programme is in place that allows CWT to:

- Adapt to constantly changing client led service requirements
- Ensure a modern fleet of construction plant that is resilient
- Reduce current high maintenance costs
- Ensure efficiency and reduce downtime due to breakdowns and faults
- To ensure safety of equipment and that it is appropriate for the task
- Ensure a modern fleet that limits CO2 emissions where possible

##### Background

CWT was set up originally as internal department to service larger value Commercial and Domestic, New Build and Refurbishment projects within BCP Council and externally via Seascope South Ltd.

Prior to BCP formation and Fleet Centralisation, the team had invested in directly owned plant needed to support the activities of the department. Decision to purchase outright was taken due to the high ongoing costs of rental.

A financial strategy for replacement has not yet been formulated for CWT and the need to replace several items of directly owned plant is now urgent due to reliability and safety issues that will be prohibitively expensive to repair, as well as being unsuitable for current workload. Some of the larger items of plant are now ageing and newer machines produce far less CO2.

All CWT owned and operated plant costs are recovered through the work undertaken, and costs applied directly to the job or recovered through the overhead applied. There is currently no direct cost or budget for BCP general fund.

Current plant owned and operated is selected due to need and regular use. Due to changing nature of the type of work undertaken it is not possible or efficient to own every piece of equipment needed and the plant asset list details the equipment that is used regularly. Specialist plant for particular jobs that is not used regularly is hired when required.

##### Plant Asset List

The table below lists the current construction plant assets owned and maintained by CWT.

Kabco Welfare Unit
Kabco Welfare Unit
AJC Easy cabin Welfare unit 16 ft
AJC Easy cabin Welfare unit 12 ft
lfor William plant trailer 2.8 T

lfor William 3.5 caged tipper
Wessex Trailer 2.6 cage tipper
lfor Williams 1.5 t caged tipper
Kubota U-27-4 Zero T/S digger
Thwaites 1 ton High lift dumper
AJC Easy cabin GENERATOR
JCB Telehandler 535/95 WP15 VUC
CAT 308E2.CR 9 Tonne Excavator
Forklift Samuk
Thwaites 3 ton power swivel dumper
Kubota U48-4 – Excavator
JCB Roof Truss extension JIB
Telehandler lifting hook
Kubota U17-3
Kubota KX015-4
Kubota U27-4
Venari Welfare Unit
Venari Storage Unit
JCB Excavator 15 Tonne
lfor Williams Tipper Trailer 3.5ton

### Strategy

CWT operates a variety of construction plant and due to this, the strategy will vary depending on the equipment.

Generally, across the fleet, replacement strategy will be driven by the number of hours the machine has reached instead of age. We would look to replace any machine that is in excess of 3500hrs due to the reliability and wear. This said, if a machine is proving unreliable at hours less than this and with excessive repair costs, it may be financially more efficient to replace. CWT needs a flexible approach to replacement depending on the nature and amount of work it is required to undertake.

### Urgent Replacement Requirement

**JCB 535/95 Telehandler** – This item of plant is a 8 tonne, 4 wheel drive, off road lifting equipment capable of lifting loads to 9.5m height and is essential for CWT daily operations. The telehandler has been in operation for over 7 years with a great deal of work on the seafront and is now deteriorating rapidly with rust generally, but specifically showing in the roll over protection in the cab. It has issues tracking straight on the highway and erratic operation when lifting. The machine is approaching 4000hrs and will require significant investment to bring up to a satisfactory level. The machine is also now not fit for purpose for the works being undertaken.

CWT are urgently seeking a replacement such as a JCB 535/125 or equivalent which has the capability of lifting 12.5m in height but also has stabilizer's and hydraulic self-levelling which

improves the safety of operation dramatically. The current failing machine does not have this facility.

CWT's Health and Safety manager has also raised concerns regarding the continued operation of this machine.

**Telehandler Funding proposal** – Current machine will still have a market value of £15,000-£20,000. Proposal is to replace with a less than two year old second hand machine with low hours. A replacement is likely to cost between £60-70,000. CWT would be seeking approval and funding of up to £46,000 to balance the difference following the disposal of the old machine.

**CAT 308E2.CR 9 tonne Excavator** – This item of plant is a mid sized 360 degree excavator that is used for major ground works, demolition, deep drainage and fast loading of muck away lorries. It has recently also been supporting the FCERM team in cliff support and drainage. This machine is 7 years old and over 3500hrs and is becoming unreliable on a regular basis. Over £4,000 has been spent on repairs in the last 3 months (also a labour cost with breakdowns) with the machine still requiring further investment. On top of this, two of the four buckets it has are worn out and will need replacement imminently at cost of a further £3,000.

CWT are urgently seeking approval to replace with a similar 9 tonne machine, likely a second hand, less than 2 year old low hour machine that will also need new FOPS cab protection system and new two finger rotating selecta grab.

**Excavator Funding Proposal** – CWT are currently operating this 9 tonne machine along with a 15 tonne JCB excavator. It is proposed to dispose of the 15 tonne excavator (as it has completed its contacts) that has a value of around £50,000 and the 9 tonne Cat Excavator that has a value of around £20-25,000, and use the balance £70-75,000 to fund a single newer low hour machine. This proposal requires no additional funding.