

Public Document Pack

**STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**CABINET DELEGATED DECISIONS**

Friday, 27 September 2024

- 1 PURCHASE OF MAINTENANCE VEHICLES TO SUPPORT ANL

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## STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

### Cabinet Delegated Decisions

20 September 2024

|                          |  |
|--------------------------|--|
| <b>TITLE:</b>            | <b>Purchase of Maintenance Vehicles to support ANL</b>             |
| <b>PORTFOLIO HOLDER:</b> | <b>Councillor Charlotte Atkins - Portfolio Holder for Services</b> |
| <b>CONTACT OFFICER:</b>  | <b>Matt Trewartha - Interim Head of Assets</b>                     |
| <b>WARDS INVOLVED:</b>   | <b>All wards</b>   |

#### Appendices Attached – none

#### 1. Reason for the Report

- 1.1 To approve the purchase of three new light commercial vehicles to be used by Alliance Norse Ltd (ANL) for the in-house delivery of General Fund maintenance on behalf of Staffordshire Moorlands District Council (SMDC).

#### 2. Recommendation

- 2.1 To approve the purchase of the three required light commercial vehicles following a compliant procurement exercise.
- 2.2 To grant approval for the associated capital budget of £127,500.

#### 3. Executive Summary

- 3.1 Schedule 3 of the Service Agreements between ANL and SMDC shows that vehicles for the maintenance were not part of the Council's existing fleet and, therefore, could not be made available to the company to utilise in support of the delivery of services for SMDC.
- 3.2 There is a requirement to improve the delivery of caretaking, particularly across the public conveniences but also in support of General Fund assets.
- 3.3 There is an associated revenue cost to these capital purchases for maintenance and road tax of £2,505 each.

4. **How this report links to Corporate Priorities**

4.1 Aim 1 - To help create a safer and healthier environment for our communities to live and work.

4.2 Aim 2 – To use resources effectively and provide value for money.

5. **Alternative Options**

5.1 ANL could lease in vehicles to deliver the service. However, these vehicles are often not good value for money. **(Not recommended)**

Martin Owen  
**Executive Director (Resources)**

**Contact details**

Matt Trewartha  
Interim Head of Assets  
matthew.trewartha@highpeak.gov.uk

## 6. Detail

- 6.1 ANL is moving to create a larger in-house team of maintenance technicians to reduce the reliance on and cost of external contractors. This will enhance the ability to recruit and develop local people.
- 6.2 ANL is reporting that the recruitment is progressing well and that they expect to appoint four new members of the team to look after the SMDC General Fund in October.
- 6.3 The proposed vehicles will be 2no. Ford Transits (or similar) and 1no. 3.5 tipper.
- 6.4 Procurement will be undertaken in a compliant manner which follows the procedure used in the previous purchase of vehicles, as approved by Members in January 2024.
- 6.5 There is no provision for this in the capital programme currently. If approved, the cost of acquiring these vehicles would need to be added to the programme in-year. Revenue costs of capital financing amounting to 4% in Year 1, 6% in Years 2-6 and 2% in Year 7 would also apply'. Finance has been consulted and confirmed that the business case is positive for this cost to be added to the capital programme.
- 6.6 ANL has produced and approved a Business Case for engaging more in-house employees which is provided with this report. This demonstrates the financial savings that are anticipated by moving to recruiting more tradespeople than the current sub-contracting model.

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## New Post Business Case Approval

### Proposed by

|                  |                 |
|------------------|-----------------|
| <b>Name</b>      | Richard Howard  |
| <b>Job title</b> | Head of Repairs |
| <b>Division</b>  | Alliance Norse  |

### Business Case Outline

#### **Business Case for Employing New Operatives for General Fund Maintenance**

By employing additional operatives, Alliance Norse will reduce costs and improve service delivery for general fund maintenance, ensuring a robust and resilient structure capable of meeting current and future demands. This strategic investment will not only enhance performance and service quality but also foster business growth and strengthen stakeholder relationships.

Over the past 12 months, we have gained significant operational experience and a deeper understanding of the business needs required to support the successful delivery of Alliance Norse services to the Councils. However, the current staffing structure does not adequately provide robust and resilient service delivery for general fund (GF) work across Staffordshire Moorlands.

Previously, this GF work was managed by DCC but was transitioned to the Alliance Norse repairs team without any staff being transferred under TUPE regulations. Consequently, our current operatives, who are primarily focused on housing repairs, have been used to handle this additional workload. This has resulted in our joint venture (JV) struggling to meet current key performance indicators (KPIs) for both repairs and GF work due to an under-resourced structure, coupled with the pressure to improve these KPIs.

Additionally, our current team lacks operatives experienced in commercial works, particularly affecting our ability to address electrical issues in these buildings effectively.

#### **Financial Analysis: Current Costs vs Proposed Savings**

| Role                         | Current Annual Cost | Proposed Annual Cost | Annual Savings | Additional Savings for Materials |
|------------------------------|---------------------|----------------------|----------------|----------------------------------|
| Electrician                  | £45,924.78          | £38,000              | £7,924.78      | Covered by savings               |
| External Operatives (2)      | £93,712.30          | £58,000              | £35,712.30     | Covered by savings               |
| Plumber (Joinery Multiskill) | £66,787.12          | £36,000              | £30,787.12     | Covered by savings               |

#### **Proposed Staffing Structure**

To ensure that Alliance Norse can meet existing and upcoming challenges and improve service delivery of the GF contract, it is essential to strengthen our staffing structure with operatives experienced in commercial building. This includes considering local hires from the Stafford Moorlands area.

#### **New Positions Required:**

- 1 Electrician
- 1 Plumbers
- 2 General Builders/Roofers
- 3 Additional Vehicles

**Proposal**

|                 |   |
|-----------------|---|
| <b>Benefits</b> | <ul style="list-style-type: none"> <li>• <b>Improved KPIs:</b> Enhanced performance metrics for GF works and housing repairs.</li> <li>• <b>Future Business Growth:</b> Strengthened foundation for service delivery and business expansion.</li> <li>• <b>Contract Execution:</b> Improved execution of JV contracts, critical for service delivery success.</li> <li>• <b>Investment Promotion:</b> Demonstrates Norse’s investment in the Alliance Norse service structure.</li> <li>• <b>Relationship Enhancement:</b> Better relationships with Alliance Norse and HPBC concerning KPIs on GF works and reactive repairs.</li> </ul> |
|-----------------|---|

|                         |                               |                  |                  |                     |                          |
|-------------------------|-------------------------------|------------------|------------------|---------------------|--------------------------|
| <b>Financial Impact</b> | <b>Annual Cost Breakdown:</b> |                  |                  |                     |                          |
|                         |                               | Plumber          | Electrician      | General/Rofer<br>x2 | <b>Total</b>             |
|                         | Basic Pay                     | 35,000.00        | 38,000.00        | 58,000.00           | <b>131,000.00</b>        |
|                         | App Levy                      | 175.00           | 190.00           | 290.00              | <b>655.00</b>            |
|                         | NI                            | 3,574.75         | 3,988.75         | 6,748.75            | <b>14,312.26</b>         |
|                         | Pension                       | 1,750.00         | 1,900.00         | 2,900.00            | <b>6,550.00</b>          |
|                         | <b>Total</b>                  | <b>40,499.75</b> | <b>44,078.75</b> | <b>67,938.75</b>    | <b><u>152,517.26</u></b> |

| Approvals         | Electronic Signature | Date       |
|-------------------|----------------------|------------|
| Service Director  | Oliver Wild          | 18/07/2024 |
| Group Director    |                      |            |
| Group HR Director |                      |            |