

BRECKLAND COUNCIL

REPORT OF KAY FISHER, EXECUTIVE MEMBER FOR ENVIRONMENTAL WELLBEING & COMMUNICATIONS to the CABINET: 30 NOVEMBER 2010 (Author: Roger Wilkin, Environmental Services Manager)

GROWTH IN RESOURCES FOR THE GROUNDS MAINTENANCE ELEMENT OF THE ENVIRONMENTAL SERVICES CONTRACT

1. Purpose of Report

- 1.1 To advise members of the additional workload within the Grounds Maintenance operation due to growth in open space land, to offer options for reacting to this growth, and to make a recommendation for action going forward.

2. Recommendations

It is recommended that the Council/Committee:

- 2.1 Agree option 2 of the report, which enables the payment of an additional £55,300 in the Gross Annual Service Charge of the contract, as budgeted, in order to meet additional resource demands of the Grounds Maintenance element of the Environmental Services Contract.

3. Information, Issues and Options

3.1 Background

- 3.1.1 The Environmental Services contract has certain growth “trigger points” built in, which when exceeded enable the service provider, Serco, to submit a business case for additional funding. The Grounds Maintenance element of the contract has grown by more than the 5% trigger point since the existing level of funding was agreed; this being the case the Environmental Services contract (Schedule 8, part 1) allows for two options to be considered by the Council, which can be summarised as follows:

- Reduce the standard of service or specification to enable current resources to fulfil the requirements of the contract, or
- Invest in the necessary resources to ensure sufficient capacity to cope with the additional growth.

3.2 Issues

- 3.2.1 £60,000 has been set aside in the Grounds maintenance budget (351 0000 000) in respect of growth in this service area

- 3.2.2. Serco is experiencing difficulties in providing the standard of service required by the contract, including key performance targets, as additional land added to their workload over recent years has significantly exceeded the capacity of the existing resources. Certain unavoidable factors can hinder the provision of the service such as inclement weather, staff absences and plant failure. This is particularly noticeable with grass maintenance which can quickly look untidy if too much time elapses between cuts. After cutting, considerable grass deposits also give an appearance of poor standards which is emphasised during inclement weather. Such limited resources leave little scope to redress these difficult conditions.

When resources are limited, other features of the service can also potentially deteriorate; including reduced cutting of hedges and a reduction of regular require maintenance of shrub beds. It is particularly important for the Council reputation that

areas that have been part of an improvement scheme, whether through investment by Breckland or as part of a community project, are maintained to a high standard, and this becomes very challenging when resources are limited.

During the course of the year there are many requests for additional works often as a result of customer enquiries. This will include repairs to play equipment, fences, grass areas, weed spraying etc. Where possible these are deferred to the winter season when operations are more flexible, but from a customer care and satisfaction perspective a more timely response would be more appropriate if sufficient resources were in place.

These factors have an effect on Serco's ability to provide the service to the standard required under the contract and to satisfy our customers. Current resources are quite stretched, and this could lead to increased customer complaints and a negative impact upon levels of customer satisfaction.

As a consequence of the above, Serco had submitted a business case for an addition to the Gross Annual Service Charge (GASC) for the contract of £66, 200, in order to maintain existing contract standards across an enlarged area of land. This is in line with the amount for assumed growth for grounds maintenance set aside in the base budget agreed by Council for 2010-11.

- 3.2.3 Although the Serco business case is considered credible, negotiations have taken place with a view to reducing the business case sum to a figure in line with the budget through the use of innovation. Consequently, Serco has agreed to deploy seasonal working for any new staff employed as part of this additional payment (i.e. working longer hours during peak growing periods, and shorter hours during the winter), and to pursue savings in other operational areas in order to ensure that additional resources deployed on Grounds maintenance are affordable at the present time, and that any requirements for further growth in future years are delayed as far as is possible.
- 3.2.4 As a result of these negotiations, a range of options have been developed with Serco which offer the opportunity to consider a range of scenarios with varying implications for cost and quality. These are set out in section 3.3 below.
- 3.3.5 Should members opt to reject any additional contract payments, negotiations will commence with Serco with a view reducing service levels in order to enable addition land to be maintained within existing budgets. The service is currently carried out at comparatively low cost, and consequently standards should be considered to be at the lower end of the scale, with operations largely restricted to basic levels of grass cutting and shrub maintenance, and the planting and care of minor bedding schemes. Examples of possible outcomes of service standard reduction might include increasing the maximum length of grass from 75mm to 100mm prior to cutting across the majority of the district, and reducing the higher frequency of shrub bed maintenance currently provided in high profile areas such as town centres, residential areas, and on community planting schemes.

Reductions in service of this scale will very likely have a negative impact upon the attractiveness local environment within our communities, and a consequential negative impact upon customer satisfaction and the reputation of the Council. In previous years, service standards have occasionally reduced during periods of adverse weather promoting rapid growth, and this has resulted in significant increases in complaints from members of the public. The images in appendix A illustrate how poor standards of grounds maintenance can impinge upon the appearance of residential areas. The ability to implement and maintain bio-diversity schemes such as wildflower planting, bird and bat boxes etc, in accordance with the Council's Green Agenda and Environment Strategy, will also be impaired.

- 3.3.6 In the current financial climate, and with the prospect of overall budget shortfalls in

future years, there is significant pressure to restrict on-going growth in expenditure commitments. This is particularly the case for services that are not a statutory requirement, such as grounds maintenance.

Any growth in payment agreed in relation to grounds maintenance will be built into the GASC for the duration of the contract (until at least 31 March 2015), and will be subject to annual inflationary uplift according to the agreed process set out in the contract.

In effect, the additional sum requested by Serco is at the discretion of the Council, and may be rejected in favour of reduced service provision at the existing contract rate.

Members will be aware that agreement to this growth payment will limit options for Council expenditure during what is likely to be a period of considerable financial challenge

3.3 Options

3.3.1 Option 1

This option will give a high level of assurance that the maintenance of public open spaces will be fully compliant with the current contract specification and performance indicators in their entirety, and at least until a further 5% growth of contracted areas is achieved. This option consists of 2 additional full time operatives, an additional vehicle, trailer, mower and associated gardening plant/equipment. This option requires an annual contract uplift of £66,200 in the year 2011-12, which is £6,200 above the budgeted amount.

3.3.2 Option 2

This option consists of 1 full time operative, vehicle, trailer, mower and associated gardening plant/equipment. A further additional operative is employed during the mowing season only, i.e. April to November. This ensures grass maintenance element of the service is compliant with current specification and performance indicators at least until a further 5% growth of contracted areas is achieved. However, an allowance within the specification/performance would need to be made with regard to other elements of the specification such as hedge and shrub bed maintenance. This option requires an annual contract uplift of £55,300 in the year 2011-12, which is £4,700 below the budgeted amount.

3.3.3 Option 3

This option consists of employing 1 full time operative. This will provide minimal benefit to the grass maintenance as there is no additional plant allowed for, but will assist with winter maintenance and additional works. Current specification/performance would have to be adjusted. This would mean grass maintenance regime rising from 3 weekly cuts to 4/5 weekly cuts. This is likely to have a noticeable negative impact on the visual amenity and customer satisfaction in many neighbourhoods and during periods of sustained growth. This option requires an annual contract uplift of £21,800.00 in the year 2011-12, which is £38,200 below the budgeted amount.

3.3.4 Option 4

This option is to maintain the status quo in terms of resources (operatives and plant). Current specification/performance on all elements of the service would have to be re-negotiated with Serco to allow for a reduction in the service. For example, grass maintenance regime reducing from a 3 weekly cycle of cuts to a 4/5 weekly cycle of cuts. This is likely to have a significant impact on the visual amenity of many neighbourhoods, and an associated negative impact upon customer satisfaction during periods of sustained growth. There are no financial cost implications for this option, unless additional responsive action is sanctioned as a result of high levels of customer dissatisfaction, and it therefore represents an overall saving of £60,000 of the existing budgeted amount.

3.4 Reasons for Recommendation(s)

- 3.4.1 Whilst not a statutory duty, the grounds maintenance of the Council's parks and open spaces is one of the Council's higher profile services. Service provision is already fairly rudimentary, and it is anticipated that any reduction in service standards will be perceived as unacceptable by residents and visitors.
- 3.4.2 A reduction in service standards may lead to an increase in littering, fly-tipping etc if certain areas are perceived as unkempt – thus adding additional cost to other service areas.
- 3.4.3 The Grounds Maintenance service is a key tool in delivering aspects of the Council's Environment Strategy, particularly in relation to encouraging bio-diversity. It also has strong links to other key agendas such as health, well-being and community safety. Any reduction in service standards might have a consequential negative impact upon these agenda areas.
- 3.4.4 Option 2 does come in well within the existing budget, and substantially negates the need for very visible reductions in service quality. It is accepted that option 1 is not viable as it requires growth in the budget. Equally, options 3 and 4 require such significant service reductions that the sense of community pride may begin to diminish in the absence of some viable alternative mechanism for ensuring the quality of the local environment across the district.

4. Risk and Financial Implications

4.1 Risk

- 4.1.1 Risk statement attached

4.2 Financial

- 4.2.1 [State whether Proforma B is attached or confirm 'none' as appropriate – Author to draft but financial aspect must be agreed by group accountant]

5. Legal Implications

- 5.1 No legal implications associated with this report at this juncture. However decision must be appropriately documented within the Environmental Services Contract.

6. Other Implications [*Insert statement or confirm 'none' as appropriate at each sub-paragraph*]

- a) Equalities: None
- b) Section 17, Crime & Disorder Act 1998: None
- c) Section 40, Natural Environment & Rural Communities Act 2006: Reduced levels of service in the Grounds Maintenance service may negatively impact upon the development and maintenance of biodiversity project on open spaces.
- d) Human Resources: None
- e) Human Rights: None
- f) Other: [e.g. Children's Act 2004]: None

7. Alignment to Council Priorities

- 7.1 To ensure the Council manages its finances well to ensure value for money

- 7.2 T protect and improve the local environment
- 7.3 To improve the quality and consistency of services provided to our customers

8. Ward/Community Affected

- 8.1 Reductions would principally affect wards in the five towns within the district: Attleborough, Dereham, Swaffham, Thetford and Watton where significant which make up the bulk of grounds maintenance activities.

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Key Decision Status (Executive Decisions only):

Non-Key decision

Appendices attached to this report:

Pro forma B

Risk statement