
TRADING OPERATIONS SUB COMMITTEE

Item No 5(d)

6 NOVEMBER 2006

REPORT BY DIRECTOR OF TECHNICAL SERVICES

GROUNDS MAINTENANCE TRADING OPERATION

1 Purpose of Report

- 1.1 To update the members of the Trading Operations Sub-Committee on the performance of the Grounds Maintenance trading operation for the period 1st April to 30th September 2006.

2 Business Performance and Monitoring

- 2.1 The Grounds Maintenance trading operation continues to perform contracted maintenance mainly for Parks and Open Spaces and Burial Grounds. 21% of the grounds maintenance operation is also carried out for local housing associations and private individuals. The section has now completed its summer programme. However due to warm weather during September, the requirement for additional grass cutting staff is now greater than it was in July and August. In addition there has been an increase in overtime due to watering flower beds and hanging baskets over the summer period.

Appendix 1 provides an analysis of income and expenditure for the first six months and of the projected outturn for 2006/07 compared to budget.

Forecast income for the year of £3,257k is £60k more than budget. Forecast expenditure of £3,257k is £73k greater than budget with increased transport related costs resulting from higher than budget depreciation, interest, maintenance and fuel costs being offset by employee costs savings, partly due to delays in uptake of positions by seasonal staff.

- 2.2 Monitoring of performance in all areas continues to ensure that all customer complaints in the period are recorded and addressed. In monitoring our business performance the section is currently preparing a submission to APSE performance networks for parks and open spaces. The data will allow us to benchmark our service provision alongside every other participating UK authority.

3 Business Update

- 3.1 The review of this year's expenditure for play areas has now been completed; a report is drafted and will be circulated to area committees for endorsement/approval. Due to limited budgets, discussions are being held with SB Local managers to identify funding, specifically for fencing, from the SB Local small schemes budget.
- 3.2 The programme of equipment maintenance has now started and core skills training as detailed at the meeting of 11th September is scheduled to be completed over the winter period.

- 3.3 Following the success of Melrose, Galashiels, Hawick and Coldstream in the Beautiful Scotland in Bloom competition, and locally the increased interest in Scotland's Floral Gateway competition, the section is already in discussions with a number of communities in planning for next year, with the potential to hold a seminar locally aimed at increasing involvement in both competitions.
- 3.4 As the result of the planned development of Neidpath grazings, Peebles, and the need to relocate the plant nursery, a review is planned to take place on the general issue of plant procurement. However, it appears that planned development in 2007 can be managed by relocating the winter crop to the Hawick nursery, as a contingency measure if necessary. The loss of Neidpath may also lead to vehicle storage problems, potential redundancies and staff housing issues. Negotiations are ongoing to resolve these potential problems in advance of entry.
- 3.5 External work continues to contribute to overheads with an additional £55k of turnover in excess of budget being forecast. The external works officer has now retired and a planned restructuring of the department is taking place. The planned recruitment of four apprentices has been deferred to 2007/08 due to budget pressures, although negotiations are still ongoing over the provision of training locally.

4 Financial Implications

- 4.1 The Grounds Maintenance trading operation is forecasting a break-even position in 2006/07. Full analysis of this forecast can be seen in Appendix 1.

5 Consultation

- 5.1 The Heads of Corporate Finance, Financial Administration, Corporate Administration, and Legal Services have been consulted and their comments have been incorporated into the report.

6 Equality

- 6.1 It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

7 Environment

- 7.1 Recent developments and obligations placed on the council as a result of the biodiversity duty legislation, could lead to significant impacts on the future of grounds maintenance provision.

“It is the duty of every public body and office-holder, in exercising any functions, to further the conservation of biodiversity so far as is consistent with the proper exercise of those functions.” - *Nature Conservation (Scotland) Act 2004 Part 1 Biodiversity*

Basically, the obligation has now been clearly outlined for councils, to demonstrate awareness and operate in a sympathetic manner when carrying out work. For example, hedge trimming and disturbance of vegetation must be restricted to times when the effect on nesting birds is minimised. Discussions are ongoing with colleagues in P&ED over the management implications. It is envisaged that more information can be supplied at the next trading sub committee meeting in January 07.

- 7.2 The issue of weather change is ongoing. The committee should be aware that the weather patterns experienced this season could in future signal more radical requirements to change the nature of grounds maintenance provision.

Issues may include:

- the timing and nature of grass cutting operations
- the timing and nature of planting operations including, bedding plants, shrubs, and trees
- the requirement to irrigate both landscaped and sports areas
- the nature and timing of sports pitch management.

8 Risk Commentary

- 8.1 Immediate threats concern the contractual complications of using seasonal staff beyond their traditional 26 weeks contract period, as the climate becomes less predictable. In order to continue to maintain high standards of maintenance throughout, it may be necessary to commence grass cutting in March and continue through at least until the end of October. This would increase the requirement for seasonal staff to be employed by up to an extra eight weeks per year, potentially adding 33% to the spend, or introducing a different, variable type of employment contract.
- 8.2 Officers are exploring ways in which seasonal staff can be employed on longer term contracts, which would avoid the need to go through time consuming costly recruitment campaigns every six months. In order to allow this, decisions about the length of the employment for seasonal staff will need to be addressed.

9 Recommendations

- 9.1 I recommend that the Trading Operations Sub-Committee:
- a) agree the contents of this report
 - b) approve the projected outturn as revised approved budget.

Approved by

Name	Designation	Signature
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