

Report to Cabinet

Subject: PASC Commercial Tree Team Service

Date: 06 October 2022

Author: Head of Environmental Services

Wards Affected

All

Purpose To seek approval to close the PASC Commercial Tree Team Service for the reasons set out in this report.

Key Decision

This is not a key decision.

Recommendation(s)

THAT Cabinet:

- 1) Approves the closure of the PASC Commercial Tree Team Service.
- 2) Notes the background summary and financial impact of this report.
- 3) Notes that if approval is given, the resulting changes to staffing structures will be undertaken through normal report and consultation processes.

1. Background

- 1.1 To help alleviate additional operational demand, following the preparation and presentation of a business case in September 2017, the Council's Senior Leadership Team approved a commercial 'Invest to Gain' initiative in the Council's PASC Service, to introduce two arborist and one grounds maintenance team to carry out commercial work, and the Portfolio Holder agreed work for third parties could be undertaken.
- 1.2 The proposal envisaged a phased introduction of the teams with the first commercial tree team in April 2018 and a later launch of the other teams over time should the model prove successful.
- 1.3 At the time 'key risks' were identified in the business plan, particularly the fact that accurate income figures would only be known once the teams were

established and the service launched. Equally it was acknowledged that 'specialist arborists trained posts' pay rates were higher in the Commercial Sector, and that this could be an issue in future operating years. It was also identified that there was a real need to ensure the 'Invest to Gain' initiative did not adversely affect the reputation of the Council by safeguarding the quality of the services delivered.

- 1.4 Project costs were identified and a phased approach was planned to allow the teams to come 'on line' in a controlled manner. From initial project launch the robustness of the business model was under constant review via monthly operational and quarterly finance meetings to ensure that budgeted targets were achieved and to alert management staff to any arising problems so that they might be resolved swiftly.
- 1.5 Initially the operating model worked well with low levels of sickness and income targets being achieved, but as time progressed difficulties arose. Firstly, due to sickness within the Commercial Tree Team and an inability to swiftly recruit replacement arborists to infill around those team members, the Core Tree Team who usually worked on the Council's own tree stock, had to be used to assist the Commercial Tree Team on occasions, deflecting them from their core work.
- 1.6 Then, at peak times, for example when the Core Tree Team were busy installing the Council's seasonal decorations and were taken up with delivering this work, the Commercial Tree Team started falling behind due to increased workloads which led to 'reputational risk', as following quotations, lengthy time delays meant clients were not prepared to wait and sought alternative tree contractors elsewhere. As a result, a review meeting took place in September 2019 at Richard Herrod Centre chaired by the then Acting Chief Executive and attended by Corporate Director David Wakelin which led to the other two proposed 'Invest to Gain' teams not being launched in order to try to iron out the 'operating model' issues in an attempt to resolve them.
- 1.7 Finally as the Commercial Tree Team was only financially viable as a two man team with a ground worker. During periods of sickness, especially that brought on by the Covid-19 pandemic, the team had to suspend works for health and safety reasons. Working at height is highly skilled and a minimum of two qualified climbers are required to be deployed for all aerial work, so that aerial rescue can be carried out should the need arise. With at times only one arborist and a ground worker available, the team could not deploy. This was built into the business case as a potential risk, but over time became one that was underestimated, but which proved an important factor in ad-hoc periods of non-delivery of the service.
- 1.8 The above operating issues have resulted in a message being given to clients, that there is a delay due to a backlog of work and that we apologise but are not taking on any additional works at present. All against a backdrop of 'specialist arborists trained posts' pay rates rising even higher in the Commercial Sector, from rates of £27K in 2018 to upwards of £30K and in some cases up to £38K for contract work in 2022. For this reason the decision was made at management level to seek approval to close the Commercial Tree Team Service and shelve the 'Invest to Gain' project in order to be able to properly

concentrate on our Core PASC and Tree Team work, without the distraction of needing to deliver commercial work. We have 24 remaining customers who have received quotations for work in a backlog, who have been consulted with as regards finishing their quoted jobs and around the closure of the service and we have had no issues.

2. Proposal

That Cabinet:

- 2.1 Approves the closure of the PASC Commercial Tree Team Service.
- 2.2 Notes the background summary and financial impact of this report.
- 2.3 Notes that any staffing restructure changes which may need to be implemented as a result of this decision will be dealt with in the usual way with appropriate consultation.

3. Alternative Options

- 3.1 An alternative option is to not close the PASC Commercial Tree Team Service and continue with delivery of the service. However, this is not recommended as it will not currently deliver the income target required and may result in reputational damage to the Council due to an inability to recruit fully qualified arborists.

4. Financial Implications

- 4.1 The Commercial Tree Team service operates with 2 FTE Arborists (Band 5), 1 FTE Ground Worker (Band 3) and 0.5 FTE Admin Support. The 2021/22 actuals and 2022/23 budget are set out in the table below.

Commercial Tree Teams	2021/22 Actuals	2022/23 Budget
Staffing	121,200	130,600
Vehicles	15,300	15,800
Other Running Costs	1,200	2,400
Depreciation (Chipper)	2,200	2,200
Total Costs	139,900	151,000
Income	(88,800)	(152,700)
Net (Surplus)/Deficit	51,100	(1,700)

- 4.2 Ceasing the Commercial Tree Team service would result in the 2 Arborist posts and the Ground Worker posts being deleted. This would result in a total annual saving of £94,100 in respect of the Arborists (£66,600) and Ground Worker (£27,500) posts. Redeployment opportunities exist for the individuals currently in these posts.
- 4.3 The remaining staffing budget of £36,500 is in respect of the 0.5 FTE Admin Support post plus an allocation of management and supervisor time. Although

the 0.5 FTE Admin Support post has been charged to the Commercial Tree Team service, it has been undertaking significant Waste Admin duties. This post could be transferred to the Waste Admin service and this will be addressed in a separate staffing report. The management and supervisor time currently being charged to the Commercial Tree Team service would then need to be charged to the other areas that the staff concerned will be supporting going forwards.

4.4 The closure of the Commercial Tree Team service would require the remaining non pay budgets to be adjusted accordingly.

4.5 Any decision to dispose of vehicles used by the Commercial Tree Team would produce a capital receipt which would be used to assist in the financing of the capital programme. Any disposal would be in accordance with 5.4.22 of Section 25 – Financial Regulations of the Council’s Constitution.

5 Legal Implications

5.1 In this report Cabinet are being asked to approve the closure of the PASC Commercial Tree Team Service only. The proposal for closure of the service will have resulting staffing implications which will be considered by the Head of Paid Service and will form part of a future staffing report. Any legal implications of such proposals would be considered within those proposals.

Any disposal of assets from this closure would need to be in accordance with the Council’s Financial Regulations.

Whilst there is no statutory duty to consult in respect of the closure of this service and there are no potential new customers who may be impacted by the closure of the service, there are 24 remaining customers still awaiting works. They have all been contacted and informed that the Council will complete their quoted jobs and consultation has taken place with them around the closure of the service. Those impacted by the closure are minimal and all have been contacted and there are no issues. Any further implications in relation to the closure such as staffing implications will be reported and consulted upon separately.

6 Equalities Implications

6.1 There are no Equalities implications arising from this Report, the implications in respect of staffing will be considered as part of that process. An equality impact assessment is attached at appendix A.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 In terms of carbon reduction and environmental sustainability implications, the change to the Council’s Parks and Street Care Service will see a reduction of the number of service vehicles and plant being used. This will in turn lead to reduced carbon emissions, but these are seen as negligible and will ‘cancel out’ across the borough as other providers move in to fill the vacated tree services market area.

8 Appendices

Appendix A – Equality Impact Assessment

9 Reasons for Recommendations

- 9.1 To give authority to close the service that will then lead to proposals to progress the staffing structure change to the Council's Parks and Street Care Service, in relation to the PASC Commercial Tree Team Service,
- 9.2 To ensure that the performance of the PASC Service is financially sound in terms of its financial performance in what is an economically turbulent time with increased competition from the Private Sector that is serving to drive up salaries in the arboricultural sector and to protect the council's reputation.
- 9.3 To keep Members updated on the progress of the operation of the Council's Parks and Street Care Service.

Statutory Officer Approval

Approved by: Chief Financial Officer

Date:

Approved by: Monitoring Officer

Date:

Equality Impact Assessment

Name of project, policy, function, service or proposal being assessed:	Closure of the Council's Commercial Arboricultural Service			
The main objective of the (please insert the name of accessed document stated above) and who it is intended to benefit from it:	Report to Cabinet [As attached Above] As Regards Closure of the Commercial Arboricultural Service			
<p>What impact will this Commercial Arboricultural Service Closure Report have on the following groups? Please note that you should consider both external and internal impact:</p> <ul style="list-style-type: none"> • External (e.g. stakeholders, residents, local businesses etc.) • Internal (staff) 				
Please use only 'Yes' where applicable	Negative	Positive	Neutral	
<u>Gender</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	

<u>Gender Reassignment</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	
<u>Age</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	

<u>Disability</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	internal	None identified	None identified	
<u>Race</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	
<u>Disability</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	

<u>Race & Ethnicity</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	
<u>Sexual Orientation</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	
<u>Religion or Belief (or no Belief)</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	

<u>Pregnancy & Maternity</u>	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	
Other Groups (e.g. any other vulnerable groups, rural isolation, deprived areas, low income staff etc.) Please state the group/s: _____ _____	External	None identified	None identified	There are no actions suggested within the report that will impact this group compared to others. As we wind down the service individual customers can be consulted with as regards the closure and its impacts.
	Internal	None identified	None identified	

Is there is any evidence of a high disproportionate adverse or positive impact on any groups?		No	Comment: No negative aspects have been identified. The report is likely to have a neutral impact on the environment
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			for Gedling residents, businesses and the community as other providers of the service are available locally.
Is there an opportunity to mitigate or alleviate any such impacts?	Yes		Comment: Of those 24 remaining customers still awaiting works, they have all been contacted and informed that we will complete their quoted jobs and consultation has taken place with them around the closure of the service.
Are there any gaps in information available (e.g. evidence) so that a complete assessment of different impacts is not possible?		No	Comment: None
In response to the information provided above please provide a set of proposed action including any consultation that is going to be carried out:			
Planned Actions	Timeframe	Success Measure	Responsible Officer
Of those 24 remaining customers still awaiting works, they have all been contacted and informed that we will complete their quoted jobs and consultation has taken place with them around the closure of the service.	Prior to 31 Dec 2022	No Measurable Negative Impact	Head Of Environment

Authorisation and Review

Completing Officer	Head Of Environment
Authorising Director	
Date	12 September 2022
Review date (if applicable)	N/A