

REVIEW OF BEDDING OPERATION

Head of Service/Contact: Ian Dyer, Head of Operational Services

Urgent Decision?(yes/no)

**If yes, reason urgent decision
required:**

Annexes/Appendices (attached):

**Other available papers (not
attached):**

Report and Minutes of Environment Committee
26 October 2011

Report summary

The report considers bringing the majority of the borough bedding contract in-house to maintain the quality of the service required within the current approved budget.

Recommendation (s)

That the committee agree:-

- (1) That the contract for the borough bedding scheme is brought back in-house to commence on 1 January 2019.**
- (2) That a procurement exercise is conducted for the borough hanging basket/troughs to commence on 1 January 2019.**

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 Bedding displays help the Committee deliver the key priorities of keeping our borough clean and green, managing our resources and supporting our businesses and local economy.
- 1.2 Well-maintained bedding enhances the visual appearance of our streets and open spaces and has a positive effect on the economic vitality of our Town Centre and shopping areas.
- 1.3 In the current economic climate, the key priorities need to be balanced carefully to ensure that we manage our resources effectively.

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2 Background

- 2.1 The contract to supply and maintain the bedding in Parks, Highways and Cemeteries was awarded to PHS Greenleaf in 2009 and commenced on 1 January 2010 for a term of 5 years with an option to extend for a further 3 years.
- 2.2 In the past the responsibility for bedding in the borough fell to three committees, Leisure Committee for parks bedding, Social Committee for cemetery bedding and Environment for highways bedding schemes.
- 2.3 In June 2010 the Leisure Committee set up a Working Group to consider bedding schemes within the Borough, with a view to increasing sustainable planting and making budget savings. This Working Group included the Chairmen of the Leisure, Social and Environment Committees.
- 2.4 In October 2011, the Working Group set out a number of proposals, it was agreed to retain the baskets/troughs, and large beds that have visual impact, turf over some beds, which added little value and switch a number of others to sustainable planting schemes.
- 2.5 On the recommendation of the Working Group, it was also agreed to streamline the bedding operation and allow the Environment Committee to assume overall responsibility for all bedding schemes within the Borough.
- 2.6 The changes resulted in a substantial financial saving to the Council and the value of the original bedding contract was significantly reduced.
- 2.7 In 2017, PHS Greenleaf advised that due to the cut in contract value, paired with the increasing cost of stand pipes/watering and staff, they could no longer continue with the current arrangement for the same contract price and gave an indicative price of £76,329.87 excl vat to continue with the same contract specification. This represented a 26% increase on the current approved budget of £60,620.
- 2.8 There are now 43 flowerbeds (totalling in the region of 1000 square metres), 53 planted graves (subject to change annually), 52 hanging baskets and 32 pedestrian guard rail troughs in the borough, all of which are planted out with traditional bedding both summer and winter with the exception of the hanging baskets which are summer only.
- 2.9 In 2018, the cemetery contract came back in-house and we used this as an opportunity to conduct a pilot to assess the viability of also bringing back the bedding operation to streamline all functions under the in-house Grounds Maintenance service.

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- 2.10 Therefore, during the spring/summer Operational Services assumed responsibility for the maintenance and watering of the flowerbeds, with PHS Greenleaf providing the supply, maintenance and watering of the hanging baskets/troughs and the supply and planting of the flowerbeds.
- 2.11 This pilot allowed Officers to maintain continuity of the service with no additional expense and assess if taking over the entire responsibility for the operation was viable.
- 2.12 Unfortunately, this season was one of the driest on record and our grounds maintenance teams were under some pressure to ensure that sufficient resources could be allocated within the team to carry out the extensive watering required to ensure the bedding schemes survived.

3 Proposals

- 3.1 Officers have now had an opportunity to assess the success of this season and the hybrid arrangement with PHS Greenleaf.
- 3.2 Although this season was a challenge due to the extreme weather conditions, on balance we feel that our in-house team coped with the demand to maintain and water the borough flowerbeds.
- 3.3 Officers also used this period to closely observe and assess what was involved in the flowerbed planting operation. PHS Greenleaf use five staff and one vehicle during the stripping out and replant operation. When costing out the operation in-house we accounted for employing an additional member of full time staff, four agency staff and an extra vehicle for the summer replant. For the winter replant, which is less resource intensive, we will use existing staff and vehicles.
- 3.4 The budget for this year's flowerbeds, graves, baskets and troughs was set at £60,620 and we believe the final cost from PHS this year will be £46,797, which leaves a budget surplus of £13,822 to be reallocated to grounds maintenance to cover the in-house costs of watering and maintaining the flowerbeds.
- 3.5 For the 2019/20 season it is proposed to take the bedding operation back in house with the exception of the hanging baskets and troughs, which we would recommend going out to tender, as this is a small and specialised area of the contract currently worth in the region of £10,000.
- 3.6 It must be noted, that we have received a recent communication from Surrey County Council requesting that some of our pedestrian guardrail troughs be removed due to safety concerns about impairing vision at pedestrian crossing junctions. Compliance with this request will reduce the number of troughs by six, which will reduce the value of this specific element of the bedding contract.

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- 3.7 For the remaining budget of £50,620, officers have calculated that in addition to the purchase of plants and ancillary costs we could create additional capacity by extending our experienced in-house horticultural team by one full time operative and four seasonal agency operatives to form a dedicated Landscaping Team.
- 3.8 Although the new Landscaping Team will be primarily tasked with designing and maintaining creative, modern flowerbed displays, comprising of a mixture of bulbs, perennial and bedding plants, they will also have the potential to take on external projects in line with Council's desire to become more enterprising.

4 Financial and Manpower Implications

- 4.1 The current approved budget for the borough bedding scheme is £60,620. The cost of the basket and trough supply and maintenance is currently estimated in the region of £10,000. Leaving a balance of £50,620 to fund the following:

4 x Seasonal Operatives for 3 weeks	£5,500.00
1 x Full time Operative	£23,000.00
seasonal vehicle hire	£2,500.00
Purchase of plants (summer and winter)	£17,000.00
Ancillary Costs	£2,500.00
Total	£50,500.00

- 4.2 Whilst there are no savings to be achieved, this proposal will control an increase in costs and streamline our grounds maintenance operation, bringing all related services back in house (with the exception of the baskets and troughs), creating capacity within the service to allow some room for expansion in to a commercial arena.
- 4.3 **Chief Finance Officer's comments:** The costs of the proposal in this report are within the agreed budget for bedding of £60,620 for 2018/19. This assumes that the budget will be set at the same level for 2019/20.

5 Legal Implications (including implications for matters relating to equality)

- 5.1 If the Committee is minded to approve this proposal to bring the design, planting and maintenance of the flowerbeds back in house, then like the cemetery arrangements, this is not a 'procurement' and therefore does not engage the Council's Standing Orders. The procurement of the hanging basket and trough contract and the purchase of plants will need to be carried out through the correct processes.

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- 5.2 Verbal conversations with PHS Greenleaf have indicated that as the employees are not employed full time simply to service the Epsom & Ewell bedding contract they will not directly be affected by cessation of the contract and therefore the Transfer of Undertakings (Protection of Employment) Regulations 2006 'TUPE' might not apply.
- 5.3 **Monitoring Officer's comments:** PHS Greenleaf will need to be requested to provide the information required by TUPE in accordance with clause 54.2 of the contract to enable informed decisions to be made about whether TUPE applies to any of the employees.

6 Sustainability Policy and Community Safety Implications

- 6.1 All our vehicles comply with modern emissions standards. Where possible and appropriate, Operational Services will endeavour to use compost, which has been derived from recycled materials from other grounds maintenance operations.

7 Partnerships

- 7.1 There is a risk that if we do not go forward with the proposals outlined in this report that we will need to secure additional funds to deliver the current bedding schemes with an external contractor.
- 7.2 There is a small risk that the baskets and trough element of the contract cannot be secured externally for the £10,000 allowance set aside, but with the reduction in number of troughs this is unlikely.

8 Risk Assessment

- 8.1 If this proposal is agreed, Operational Services will work in partnership with external contractors to manage the basket and trough element of the bedding scheme and with plant suppliers to procure both best price and quality of bulbs, perennial and bedding plants.

9 Conclusion and Recommendations

- 9.1 Providing high impact, low cost bedding schemes is vital to achieving the Council's key priorities. For this reason, this report recommends that the borough bedding scheme is brought in-house for the sum of £50,620
- 9.2 It is recommended that the baskets and troughs element of the bedding scheme is procured separately and will be the only part of the grounds maintenance contract that is serviced by an external provider which we estimate will cost in the region of £10,000.

Ward(s) affected: (All Wards);