



## PROJECT BUSINESS CASE

**Project Number:**

**Project Title: In House Tree Surgery Team**

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Portfolio Environment and  
Transport  
Directorate Place

Division City Services

The appropriate approval must be obtained before for the Business Case is registered on SharePoint. Please refer to the Gateway Approval process for Gold, Silver & Bronze projects

Project Type G/S/B  
Approved by

# 1. OUTLINE PROJECT PROPOSAL

## 1.1. Background

The Tree Surgery service for SCC went out to private contract in 1996 as part of the then Compulsory Competitive Tendering Act. The DSO originally won the tender for the contract but following a ruling by the secretary of state that the process was deemed unfair, the SCC DSO were not permitted to submit any further bids. The contract was won by Jeremy Barrell Tree Care (now called Pete Best Tree Care) who have since then won the contract at each new tender for the past 17+ years.

They currently are in a three plus two plus two year contract and are in the first year of the first extension period, i.e. they have completed the 3 year contract and are one year into the first two year extension. This first extension is due to finish in August 2016

It has become apparent that the contract is undervalued, from a commercial point of view, with not enough funding to provide enough staff to carry out the high volumes of work. This has particularly come to the fore in high wind events, where increased workloads have meant large back logs of routine health and safety works.

The Current contract is worth £193,000 per year from general fund, within the Trees and Natural Environment Budget, and circa £110,000 per year made up from budgets held outside the Tree Team, such as Education, Bereavement Services and Housing. This budget currently funds the private contract to provide two 3 person teams and a working contracts manager, stump grinding services are also provided on the schedule of rates and a fee for administration (circa £1000+ per month). Extra capacity is provided from the companies own private working team at times of extreme weather events, however, this has not proved to be sufficient in recent years.

In August 2015 it came to light that the back log had reached a level that it was not tenable to continue with the current contractor as a single provider. In addition to this it became clear that works invoiced for had not been completed within their timeframes and this was adding to the back log of works.

Emergency measures have been put into place to ensure that urgent emergency tree works and ongoing health and safety tree works are continuing to be undertaken. This has been achieved by changing the provider of the emergency tree works (also known as call-out works) and inviting three contractors from the Hampshire Tree Surgery Framework to provide cover for health and safety works. Pete Best Tree Services is continuing to undertake all pre-paid backlog works and any outstanding orders which have not yet been invoiced for. (NB an outstanding order is one which has been started but not completed, all orders not started have been cancelled and will be re-ordered through the new contractors). The existing contract has not therefore been terminated as there was no immediate need to do so. Once all the pre-paid backlog is complete the situation will be reviewed and a decision made

whether to either terminate or allow the contract to end at its next renewal date in August 2016

## 1.2. Outline Project Proposal

To explore the viability of bringing the Tree Surgery service back in house to enable greater flexibility, increased ability to carry out existing workloads, improved capacity to deal with extreme weather events and to provide a basis to expand tree surgery works to other organisations and Local Authorities to provide an income stream to SCC. Also to reduce issues arising from contractor errors.

The project meets the Council's transformation themes in the following ways:

Theme	How it meets the Theme
The Right Things	<ul style="list-style-type: none"> <li>• A structure which ensures empowerment with accountability</li> <li>• Good training and CPD with potential for apprenticeships</li> <li>• Improved contact direct with Tree Surgery Team reducing missed works and errors</li> <li>• Improved customer relations</li> </ul>
The Right Way	<ul style="list-style-type: none"> <li>• Reduced contract management and administration</li> <li>• Reduced checking of jobs on invoices for completed works</li> <li>• Improved communications direct with Tree Surgery Team</li> <li>• Streamlined ordering system – delivered through IT not paper</li> <li>• Existing depot infrastructure in place</li> </ul>
The Right Value	<ul style="list-style-type: none"> <li>• Potential for income generation through working with other large organisations and Local Authorities to deliver their tree surgery needs</li> <li>• More service delivered within the same budget envelope</li> <li>• Potential to increase capacity as demand for the service grows</li> </ul>
The Right Provider	<ul style="list-style-type: none"> <li>• More capacity with same expenditure</li> <li>• Maximise available budgets for tree surgery works</li> <li>• No expenditure lost to profit</li> <li>• Reduced delays in the event of extreme weather</li> </ul>

Project Start Date: November 2015

Project End Date: August 2016

## 2. OPTIONS APPRAISAL

### 2.1. Options Investigated

Option Description	Benefits	Costs	Risks
Do nothing - continue to use 3 or 4 contractors to fulfil the health and safety and emergency works	<ul style="list-style-type: none"> <li>No set up costs for bringing the service in house.</li> <li>Flexible way of working.</li> <li>Good quality tree surgeons - Arboricultural Association approved</li> <li>Defendable system for Council's statutory duty of care.</li> </ul>	In early comparisons with the "contract price" the schedule of rates (SOR) provided by the new contractors is significantly higher. There is a minimum of 30% increase of prices expected over the current SOR's within the 2011-18 contract. There is also ongoing contract management costs of Officers to check invoices, work quality, managing mistakes and errors on the part of the contractor and signing off jobs.	<ul style="list-style-type: none"> <li>Increased prices will reduce the amount of works the Council is able to undertake, this could leave the Council in a position where it does not have enough budget to fund health and safety tree works.</li> <li>As current budget only covers health and safety works any reduction in the amount of works it can cover could put people and property at risk</li> </ul>
Officially terminate the current contract with a sole Tree Surgery Contractor and use the Hampshire Tree Surgery Framework agreement.	<ul style="list-style-type: none"> <li>More flexibility in adverse weather events</li> <li>Shorter lead times for routine works</li> <li>Under no obligation to order works through the framework</li> <li>No joining cost</li> </ul>	Initial analysis indicates that cost under the Hampshire contract are likely to be significantly higher and therefore less work will be achieved for the same budget.	<ul style="list-style-type: none"> <li>Less work undertaken for budget available (see above)</li> <li>Quality of works is more variable</li> <li>Less value added works</li> <li>Lose a contractor who has a lot of knowledge about the City and its tree stock.</li> <li>Unable to join framework until November 2016, leaving issue of how we cover works until then.</li> </ul>
Provide the service through an in house tree surgery team with 7 members of qualified tree surgery staff.	<ul style="list-style-type: none"> <li>Potential early saving for Council</li> <li>Less ongoing transport and staff costs</li> </ul>	There will be an initial set up fee, however, this will reduce in following years. Early pricing indications for staff costs and machinery/running costs can be indicate an annual cost of circa £250,000. However, there would be no spare capacity to meet any increase in current health and safety work requirements and no capacity to generate additional income for the Council	<ul style="list-style-type: none"> <li>No spare capacity to generate income</li> <li>No spare capacity in times of extreme weather events, to clear houses, cars and highways.</li> <li>No spare capacity to clear up after extreme weather events</li> <li>Minimal capacity to undertake Health and Safety works in a timely manner</li> <li>No capacity to undertake desirable but non-urgent works.</li> </ul>

Option Description	Benefits	Costs	Risks
Provide the service through an in house tree surgery team with 10 members of qualified tree surgery staff.	See SWOT analysis below	There will be an initial set up fee, however, this will reduce in following years. Early pricing indications for staff costs and machinery/running costs indicate an annual cost of circa £320,000, however this gives an increase of nearly 50% in the capacity of the tree surgery team. This gives greater capacity to ensure all health and safety works are completed as well as providing flexibility to undertake the service for other organisations to generate an income.	See SWOT analysis below.

## 2.2. Recommended Option

The recommended option is to provide the tree surgery service for SCC in house using a team of 10 qualified tree surgeons.

The following SWOT analysis was undertaken by the Tree Team and provides a breakdown of the key benefits and threats/risks for the project.

It is considered that the benefits (strengths) and opportunities of bringing the service in house would outweigh the potential threats and weaknesses.

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• There will be a greater capacity to undertake planned H&amp;S works</li> <li>• There will be lower running costs <ul style="list-style-type: none"> <li>○ Reduced paperwork – potential reduced contract management costs</li> <li>○ No additional costs for unforeseen works</li> </ul> </li> <li>• SCC would have a better control over works <ul style="list-style-type: none"> <li>○ Better/more direct communication with staff, enabling a more efficient service</li> <li>○ SCC prioritised works would stay a priority</li> <li>○ In house training</li> <li>○ Set qualifications of the Tree Surgery Team</li> <li>○ Work from local depots where appropriate</li> </ul> </li> <li>▪ In house training and ongoing CPD with good career opportunities</li> <li>• Better communication from a well-informed team will improve service to the public, including: <ul style="list-style-type: none"> <li>○ Better public perception</li> <li>○ Better customer relations</li> <li>○ Being more accountable/ visible to the public as a SCC service not a private contractor – corporate complaints and compliments system already in place</li> <li>○ Reducing number of unknown jobs not completed</li> <li>○ More responsive, flexible team able to book work more easily</li> </ul> </li> <li>• Set up costs for a yard are minimised as they already exist at Red Lodge and Mayfield as well as some of the other outlying areas.</li> <li>• The existing Tree Officer Team already has good experience &amp; knowledge of the industry and other associated sectors including: <ul style="list-style-type: none"> <li>○ Transferable contract management skills</li> <li>○ Existing network of contacts</li> <li>○ Good knowledge of the SCC area for trees and customer</li> </ul> </li> <li>• In house Transport team, providing competitive procurement and maintenance rates for machinery.</li> <li>• IT systems already in place to manage works and enquiries</li> </ul>	<ul style="list-style-type: none"> <li>• There will be set up costs including: <ul style="list-style-type: none"> <li>○ Yard set up</li> <li>○ Machinery</li> <li>○ PPE and climbing equipment</li> <li>○ Staff recruitment</li> </ul> </li> <li>• There will be running costs</li> <li>• SCC protracted or complicated recruitment process, authorising signatures</li> <li>• New staff will mean increased administration of those staff, including: <ul style="list-style-type: none"> <li>○ Finance</li> <li>○ Invoicing</li> <li>○ Keeping diaries, appointments etc.</li> <li>○ Absence management</li> <li>○ HR functions</li> </ul> </li> <li>• Weak corporate communications and marketing expertise to provide a commercial edge to the proposal, who and how will the service be advertised and who and how will more work be generated? It will need more than word of mouth.</li> <li>• Part of a wider Schools SLA for Grounds Maintenance, complicates delivery, communications and administration</li> <li>• Perceived or actual conflicts of interest</li> <li>• A reduced size team on set up would give less flexibility, would not manage the amount of outstanding work and would have no capacity for income generation.</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• If it can be implemented quickly (Aug 2016) it will start to generate income and work with existing contract end dates</li> <li>• Potential for external trading and income generation through work for: <ul style="list-style-type: none"> <li>○ Academies/Trusts</li> <li>○ Other LAs</li> <li>○ Private estates/Housing Associations</li> <li>○ NHS</li> <li>○ Universities</li> </ul> </li> <li>• Better quality in house climbing inspections – improving ability to assess dangerous trees.</li> <li>• Greater scope for new apprenticeships and training</li> <li>• Potential to undertake more and reduce delivery times for non H&amp;S works</li> <li>• Set our own fuel types to make service more environmentally friendly</li> <li>• To enter into specific SLA's with Schools, coming out of the general Grounds Maintenance SLA.</li> <li>• Recycling waste responsibly and generate income from wood products – potential for a franchise to recycle wood products</li> <li>• To deal more efficiently with extreme weather events through joint working with the Parks Team <ul style="list-style-type: none"> <li>○ Deal with emergencies quicker</li> <li>○ Deal with the clear up afterwards quicker</li> </ul> </li> <li>• To reduce administrative tasks such as invoice processing and checking giving Tree Officers more ability to meet targets with statutory decisions and public enquiries.</li> </ul>	<ul style="list-style-type: none"> <li>• Not enough resource is made available through Business Support to administer new staff leading to increased costs for running.</li> <li>• Disruptions to the service through: <ul style="list-style-type: none"> <li>○ Sickness</li> <li>○ Holidays</li> <li>○ Disciplinary</li> </ul> </li> <li>• Industry skills gap <ul style="list-style-type: none"> <li>○ Shortage of good climbers/arborists</li> </ul> </li> <li>• Unforeseen increase in running costs, including <ul style="list-style-type: none"> <li>○ Insurance costs</li> </ul> </li> <li>• Unforeseen increased transport costs <ul style="list-style-type: none"> <li>○ Increased fuel prices</li> <li>○ Increased vehicle taxation</li> </ul> </li> <li>• There is not enough capacity built into the system to take on new work, reducing ability to generate income.</li> <li>• Theft of vehicles, machinery or equipment</li> <li>• Prohibitive cost of insuring high risk industry.</li> <li>• Complex legal issues – i.e. council working on private property within conservation area</li> <li>• Potential conflict of interest TPO applications vs Pressure to undertake works commercially</li> <li>• Waste disposal <ul style="list-style-type: none"> <li>○ Costs</li> <li>○ Regulations</li> </ul> </li> <li>• Use of Council equipment for home working.</li> <li>• Lack of marketing expertise within Tree Team</li> <li>• Implementation time – can't go beyond end of current contract or could leave city with no tree surgeons.</li> </ul>

At a more detailed level the proposal is for a ten person tree surgery team. There would be three teams of three people, each team would consist of a Skilled Climbing Arborist (anticipated grade 7), a Semi Skilled Climbing Arborist (anticipated grade 6) and a Groundsman Trainee Climber (anticipated grade 5). The three teams would be managed by a Tree Surgery Supervisor (anticipated grade 8), who would also be responsible for organising work, pricing/estimating jobs, meeting customers, doing climbing inspections, filling in for sickness/holidays. It is envisaged that the team will be set up on a trading arm basis and therefore have the ability to undertake works that will generate money. There would also be an ability to increase the team size beyond the 9 core staff to accommodate peak workloads, reducing it back to 9 again afterwards. There will also be an opportunity for working with Parks teams during extreme weather events to make sure emergencies are dealt with quickly and safely.

Infrastructure already set up within the Council, such as the Parks Depots, storage facilities, Transport Team/workshop facilities and fleet management, as well as contacts with Highways partners, other LA's, NHS, Trust run academy schools etc. means that there is a high level of confidence in making this work. There are threats associated with this project but these are not considered any greater than the current running of the Parks and Street Cleansing Service.

### **3. PROJECT OBJECTIVES AND MEASURES**

#### **3.1. Quantity – how much will we do?**

This project aims to deliver a tree surgery service for SCC which not only carries out all the current planned health and safety works, but has capacity to undertake less urgent works and flexibility to undertake “private” contracts to generate income whilst offering the best possible standard of tree surgery to the SCC tree stock.

The key goals will be to provide a service which is:

- Customer focused – providing good customer care and high quality work
- Health and Safety focused - providing a timely response to planned H&S works, reducing risk to the residents and visitors of the city.
- Income generating – providing a flexible tree surgery service to other organisations
- Environmentally Friendly – reducing carbon foot prints wherever possible, using biodegradable oils and embracing new clean technology as it develops (such as electric saws)

#### **3.2. Service / Business Benefits**

This will be a city wide service which provide tree surgery works for both internal and external customers. Although the current contractors do provide a good level of service, this has deteriorated over the most recent contract period, most likely due to the low value of the contract meaning that the contractor does not have enough resource to provide the level of service needed.

Therefore bringing the service in house would have the following benefits as there would be a greater resource:

City wide customers (such as, Councillors, Council tenants, residents, visitors, Housing, Highways, Education, Parks etc.) would benefit from increased levels of service which would provide:

- A safer outcome as a higher percentage of planned health and safety works are completed in a timely manner.
- A more responsive service with greater communication, keeping people up to date with their enquiries and expected times for tree surgery to be completed



- A system of booked work, giving people a time and date for works to start on site
- Continued high quality of tree surgery works, following arboricultural industry best practice and guidance with a goal of becoming Arboricultural Association approved contractor.
- An ability for customers to deal with SCC direct rather than through a contractor, providing a higher level of confidence in the service

The Tree Team who would help to manage the new service would also see benefits that would include:

- A service that is flexible to the changing priorities of a city tree stock, knowing where and when works will be undertaken
- Reduced workloads through contract management such as; less need to check jobs are complete, no processing of invoices, less time spent chasing up work, less time spent producing financial reports, less time spent meeting external contractors etc.
- Improved climbing inspection data as climbers would be qualified to provide detail inspections, improving decision making with regards to tree safety.

At a more strategic level the Council will also benefit from the new service as it will provide:

- An improved service for similar or potentially reduced cost, with more work complete for the same price
- An ability for the Council to generate income
- Improved risk management as there will be reduced risk of work overrunning and greater control over work prioritisation and auditing
- A boost to the local economy through 10 new jobs (net gain of 4 jobs overall as the tree surgery contract will end)

### 3.3. Estimated Cashable benefits

Summary of related costs:

Item	Annual Price
Cost of Staff (based on structure at appendix 1 of this report)	£257271
Cost of Machinery, including vehicles, chippers and chainsaws, (estimate provided by Transport Team)	£53,000
Cost of PPE and climbing equipment etc. (estimate from Winchester garden machinery)	£8,000
Cost of set up plus IT kit (Yard plus 3x phones and tablets) (estimate based on existing costs, likely to be capital expenditure)	£3500
<b>Total</b>	<b>£321,771.00</b>
Current Contract Price (including average recharge budgets over past 5 years)	<b>£310,000</b>

The table above shows that we would be able to provide a 10 person tree surgery team for slightly more than the current 7 person team. Although there is a £11,771 gap from the current budget to the anticipated costs of the in-house team, this will be made up through a mixture of using existing vehicles (anticipated £4,000 reduction in estimated cost), competitive procurement of machinery and equipment (anticipated £3,000 reduction in estimated cost), other recharge mark up (anticipated £5,000 income). Therefore it is expected that the tree surgery team will be delivered for the £310,000 already accounted for within the budget. There will also be flexibility to generate additional income. It is anticipated that within 24 months the tree unit would be generating income to cover any additional costs.

There is an opportunity to set the Tree Surgery Team up as a trading arm, it would then be able to bid for further work. The wood produced from the works would remain the property of SCC (currently it becomes the property of the contractor once removed from the tree) which may in future become a potential income source (e.g. logs, woodchip boilers, soil improver, play chip).

### POTENTIAL ADDITIONAL COSTS

There are a number of potential areas where there may be additional costs to the service. These can be estimated as follows:

- Damage to vehicles and machinery – often between 5% and 15% of vehicle budget – average £4,800 per year
- Fuel costs – based on the average across the Parks service is £1250 per vehicle per year – therefore allow £5,000 for the whole team.
- Minor damage to third party property, such as fence panels, allow £500 per year

### POTENTIAL ANNUAL INCOME

Total headline cost for 10-person team = £321,771.00

Assumed productive hours =

(3 teams) x (226 days/year) x (6.5 productive hours per day) = 4,407 hours per year

Add one half of supervisor's time = (113 days) x (6.5 hours) = 734.5 hours

Total hours = 5141.5

Hourly team cost = (total cost £321,771.00) ÷ (available productive hours 5,141.5 hours) = £62.58/hr cost rounded to £62.60

Assuming 2 teams will undertake the Council tree surgery requirements one team will have the flexibility to undertake income generating works:

The additional capacity that a three team scenario offers us has potential earning of:

£62.60/hr for 6.0 hours per day (assuming client communications/access will take half an hour per day more than SCC sites) = £375/day - in line with market cost

x 226 days/yr (amount available to one team) = £84,885 per year gross.

This will take additional administration (pricing, quoting/invoicing, communication & marketing/customer service) so allowing £20k per year for this gives a fair guess of £64,885 potential income stream annually when at full capacity.

It also offers increased flexibility to provide our own emergency cover and spate condition post storm events.

Analysis of costs based on the Hampshire Framework have been undertaken for three separate work orders. This shows that at a charge out rate of £62.60 per hour for a three man team, over the three orders the Council would be able to carry out the works for between £4,223 and £9,198 cheaper than if they used the Hampshire Framework. The total cost of all three orders for the Council to complete would be £19,781.

When projected over a total year, assuming that the three orders are typical of the types of work ordered, then the Council would be able to do between £65k and £140ks worth of more work than if one of the contractors from the Hampshire Framework were doing it.

Potential contracts for future works include:

- Hampshire tree surgery framework
- Education: Universities, independent schools, sixth form colleges and Trusts, St Mary's College, Gregg's School, King Edwards, St Georges, Edwin Jones Trust, The JET Trust, The Hamwic Trust, Oasis, Admiral, Southampton University campuses and halls of residents
- Health: General Hospital and other NHS sites, BUPA sites, Elderly and specialist care homes & hospices, private hospitals and care sites, such as BUPA
- Working in partnership with Balfour Beatty Living Places to provide removal of obstructions to the Highway
- Housing, Housing Associations, Trusts & Co-operatives including Radian, Raglan, Hyde and several others; resident's associations, property management agents.
- Other potential customers: Ordnance Survey, ABP, Capita.
- Other LA's

There is a potential demand for this service and as part of this business case Officers have contacted other neighbouring Council's to gather further information:

- Eastleigh BC are considering splitting their service for a small in house team for minor works and then using the Hampshire Framework for larger work parcels and specialist works. They have shown interest in working with SCC on this project.
- Have spoken to Hampshire County Council who have given an early positive indication of working together in future,
- We have had detailed correspondence from Kettering Borough Council who are currently running an in house team: when CCT was first bought in the team was set up as a contracting company and was eventually

brought back in house. They are not a unitary authority so highways work is covered by the county which would be different for SCC. They cover their own call outs, but as this does not include highways, this is relatively rare until a storm hits. Overall they have much shorter response times (three weeks or so at most compared to ours running at around 5 months), better quality of work and sell services to schools etc. They also contract out occasional works for things like garden clearance for housing while properties are void.

- There is an existing Hampshire Tree Surgery Framework, our early enquiries have shown that there is no reason why we cannot either use this or be a supplier to it. This puts us in a good position to supplement our own capacity or sell our excess capacity, making our set up very flexible, particularly when dealing with urgent and emergency works and specialist service. We have contacted Rushmoor BC who manage the framework agreement and lodged initial interest in the framework when it is renewed in September 2016.

The tree surgery unit would not undertake works to private individual's gardens. This work is likely to be lower paid, much more difficult to manage, more labour intensive, more difficult to access, be a direct challenge to small businesses in the city, have a much higher risk of challenge to the Council, harder to debt collect, more likely to be a conflict of interest with regards to tree protection.

### **3.4. TUPE**

The contract is currently subject to the Transfer of Undertakings (Protection of Employment) Regulations 2006. Basic information has been received from the current contractor with regards to the posts that would qualify for TUPE. 6 posts have been identified with similar positions/duties as set out above. They are broadly in line with the costings received from the analysis carried out on the in house team with an overall cost of circa £140,660 for the 6 staff.

### **3.5. Quality – how well did we do it?**

#### **Baseline performance level (at project start date):**

The current contract has a number of key performance indicators (KPI's) which are monitored to ensure quality. At the time of writing

- Planned red works are not on track and have been low for a number of months if we continued with the current contract it has been projected that percentage levels would be around 50% of the red works would be completed in time, the KPI is for over 90% to be completed within time.
- Emergency works are being completed within time.
- Invoices – inaccuracies in invoices have been ongoing, but are beginning to improve
- Usually the emergency call out response is very good. Have had more than one incident where no-one can get hold of anyone at PBTC so officer has had to attend instead, with a tricky situation if emergency response is required. Most recently Shoreburs Greenway call out on

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Friday 7<sup>th</sup> August. Staff report a 'blind spot' between 4pm when team finishes and 5pm when out of hours kicks in.

There is currently a back log of works. This appears to have resulted from many years of small back logs (over the 17 or so years that Pete Best have held the contract) being exacerbated by the major storm events over the winter of 2013/14 and now culminating in numerous days' worth of outstanding works.

- Early investigation shows a conservative backlog of circa £15,000 of pre-paid works – PBTC are currently working through this and will have it completed before any contract termination is considered
- There is in the region of £22,500 currently committed with at least the same again pending release to the contractor. Estimate one third of these works (c. £7,500) are overdue their estimated completion dates. In number, slightly more than half (26 out of 42) jobs are past their delivery date. A small number of these are for reasons beyond the contractor's control such as access or cleansing issues. These works are starting to be released to other contractors.

Customer satisfaction – We do not currently have a formal system of canvassing customer comments on satisfaction, however we do record compliments and complaints when they are made

The following are recent observations made about the contract:

- We have had 2 instances in the last month where residents have contacted SCC tree team to complain about works: both these were justified, one on failing to turn up when arranged, though later complaints of quality of work were dismissed.
- The other complaint was over a failure to respond to repeated requests for fence reinstatement which was also justified.
- One internal complaint over attitude of PBTC staff when challenged over inadequate Traffic Management. Which proved to be justified.
- Most complaints are from residents who are chasing overdue works – mostly lack of capacity has caused these.
- As a customer, the SCC tree team has a few issues with the service, mostly relating to length of time to get quotes from PBTC, outstanding works, managing complaints arising from contractor error or lack of communication, lack of visible scheduling so never know when work is likely to be done. Quality of actual tree surgery work is usually good or high.
- Largest single threat is overdue works that have been signed off by the contractor that have not been completed that we are not aware of – several of these come to light each month at the present time.
- We do have a number of incidents where works are not completed fully even after a second visit (e.g. recently job 7937 Shooters Hill Close) resulting in very frustrated customers.

**Performance target/s (at project end date):**

The measures will be used to assess project Quality at project closure.

## 4. PROJECT KEY DRIVER

The two key drivers for this project are time and cost. The current contract could be renewed in August 2016, however we are currently in emergency measures as back logs and inaccurate job invoicing has made it untenable. The Council therefore needs to make a decision now with regards to whether we are bringing the team in house or pursuing the Hampshire Framework.

The cost of either of these options needs to be within the current budget envelope as there is no further finance available. The Hampshire Framework is likely to provide a flexible option for providing tree surgery works, but is likely to have cost implications and end up with less ability to undertake all the works currently required. If bringing the tree surgery team in house can be realised then there is an opportunity to generate income. Quality is important and there are great opportunities to improve this through the project, however, this is considered slightly less of a driver than time and cost. Therefore the weightings are as follows:

The weightings will be used to assess project success at Gateway 5

Criteria	Weighted score
<b>TIME- needs to be in place by August 2016.</b>	40
<b>COST Needs to be kept within current budget envelope of £310k</b>	40
<b>QUALITY needs to maintain or improve the quality of the existing service</b>	20

### 4.1. Risk Quantification and Sensitivity Analysis

Please either complete the table below or attach a Risk Register/Log listing all the key risks associated with the proposed project and how those risks will be managed or mitigated, and by whom.

Description of Risk (Why is it a risk, what would happen if the risk occurred?)	Assessment of Risk		Risk Owner	Actions to Control or Mitigate Risks
	Likelihood (Probability)	Impact		
Can't recruit staff as there is a skills gap in industry	Low to medium	Medium	NY	<ul style="list-style-type: none"> <li>Contract in day rate climbers</li> <li>Set up apprenticeship</li> </ul>

Description of Risk (Why is it a risk, what would happen if the risk occurred?)	Assessment of Risk		Risk Owner	Actions to Control or Mitigate Risks
	Likelihood (Probability)	Impact		
				<ul style="list-style-type: none"> <li>• Training</li> <li>• Build links with colleges</li> </ul>
Council decision making process too slow	Medium	Medium	NY	<ul style="list-style-type: none"> <li>• Use Hampshire Framework</li> <li>• Use current contractors</li> </ul>
Recruitment process too slow	Medium	Medium	NY	<ul style="list-style-type: none"> <li>• Use Hampshire Framework</li> <li>• Use current contractors</li> </ul>
TUPE	High	Medium	NY	<ul style="list-style-type: none"> <li>• Ensure that costs for staff are comparable and that there is a budget to cover any staff coming across</li> </ul>
Weak marketing and communications skills	High	High	Communications	<ul style="list-style-type: none"> <li>• Ensure sufficient resource is made available to properly market the service to customers</li> </ul>
Supply of machinery	Low	High	NY	<ul style="list-style-type: none"> <li>• Early ordering when we know requirements</li> <li>• Use Hampshire Framework</li> <li>• Use current contractors</li> </ul>
Meeting all Health and safety requirements for Tree Surgery (e.g. Traffic Management certification)	Low	High	NY	<ul style="list-style-type: none"> <li>• Liaise closely with corporate H&amp;S to ensure the service complies with all H&amp;S issues</li> <li>• Liaise with partners to ensure regulations are complied with (e.g. transport management)</li> </ul>
Capacity for Officers to deliver the project	Medium to high	Medium to high	NY	<ul style="list-style-type: none"> <li>• Prioritise work to ensure the project takes a higher</li> </ul>

Description of Risk (Why is it a risk, what would happen if the risk occurred?)	Assessment of Risk		Risk Owner	Actions to Control or Mitigate Risks
	Likelihood (Probability)	Impact		
				priority within work loads.

## 5. APPENDICES

### 5.1. Project Costs

#### 5.1.1 Capital costs

There are no foreseeable one-off capital costs for the project, this does not include the costs for the team itself, just the costs for the project to get us to the point where the team is ready to set up. Therefore no costs for machinery or equipment for the actual tree surgery team have been included in this cost analysis (see section 3.3 for an estimate of set up costs etc.).

#### 5.1.2 Revenue costs

There are no ongoing revenue costs for any assets (eg: hardware and software), maintenance charges, support etc for this project.

#### 5.1.3 Project Resources

The total number of days required for the project by Council staff, Capita, other partners or contractors. This section is particularly important to complete when no budget is allocated to the project.

Days	Year 1	Year 2	Year 3	Subsequent years total	Total
<b>Resource Days</b>					
SCC staff – see example below:					
▪ Legal	5	1	0	0	<b>6</b>
▪ IT Client	1	0	0	0	<b>1</b>
▪ Senior Tree Officer	20	15	10	5	<b>50</b>
▪ Landscape Development Manager	20	5	5	5	<b>35</b>
▪ Insurance/Risk Manager	4	2	2	1	<b>9</b>
▪ Transformation Manager	10	0	0	0	<b>10</b>
▪ Marketing and Communications	10	5	5	5	<b>25</b>
Capita, other partners or contractors - procurement	5	5	5	5	<b>20</b>
<b>Total Resources Days</b>	<b>75</b>	<b>33</b>	<b>27</b>	<b>21</b>	<b>156</b>





## 5.2. Initial Impact Assessment



### Equality and Safety Impact Assessment

The **public sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people's needs. The Council's Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with section 17 of the Crime and Disorder Act and will enable the council to better understand the potential impact of the budget proposals and consider mitigating action.

<b>Name or Brief Description of Proposal</b>	To undertake tree surgery works using in house teams rather than private contractors
<b>Brief Service Profile (including number of customers)</b>	Undertake health and safety and other tree surgery works to the Council and other organisations tree stock (Council tree stock circa 55,000 trees and 250 Ha of woodland) To benefit residents of and visitors to Southampton, (circa 250,000 residents, millions of visitors) ensuring trees are kept in as safe condition as possible.
<b>Summary of Impact and Issues</b>	
<b>Potential Positive Impacts</b>	
<b>Responsible Service Manager</b>	Nick Yeats
<b>Date</b>	20 <sup>th</sup> July 2015
<b>Approved by Senior Manager</b>	Mitch Sanders
<b>Signature</b>	

<b>Date</b>	
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### Potential Impact

<b>Impact Assessment</b>	<b>Details of Impact</b>	<b>Possible Solutions &amp; Mitigating Actions</b>
<b>Age</b>	Safer environment to live in	None
<b>Disability</b>	Safer environment to live in	None
<b>Gender Reassignment</b>	None	None
<b>Marriage and Civil Partnership</b>	None	None
<b>Pregnancy and Maternity</b>	None	None
<b>Race</b>	None	None
<b>Religion or Belief</b>	None	None
<b>Sex</b>	None	None
<b>Sexual Orientation</b>	None	None
<b>Community Safety</b>	Safer environment to live in	None
<b>Poverty</b>	Provide a better service to the areas of deprivation through work with Housing	None
<b>Other Significant Impacts</b>	Better environment with safer trees.	None

5.3. Proposed Landscape and Development Team Structure with Tree Surgery Team included



