

City Chambers  
DUNDEE  
DD1 3BY

4th November 2011

Dear Sir or Madam

**ENVIRONMENT COMMITTEE**

You are requested to attend a MEETING of the **ENVIRONMENT COMMITTEE** to be held in the City Chambers, City Square, Dundee on Monday, 14th November, 2011 to follow the meeting of the City Council called for 6.00 pm.

Yours faithfully

DAVID K DORWARD

Chief Executive

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which might be perceived as influencing your opinion/vote on any matter.

**AGENDA OF BUSINESS**

**1 TRADING OPERATIONS FINANCIAL OPERATIONS STATEMENT AND OPERATIONAL PERFORMANCE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011.**

(Report No 473-2011 enclosed).

**2 ZERO WASTE SCOTLAND - LITTER CAMPAIGN - WITHDRAWN**

**3 PLAYGROUND IMPROVEMENTS 2011/12 (AN181-2011)**

Proposals to undertake Playground Improvements at a number of locations have been developed to address existing health and safety concerns and to enhance the amenity of these areas. The proposed measures will also help reduce the long term future maintenance burden.

1.	Baxter Park - Upgrade "loosefill" safety surfacing	£4,510
2.	Finlathen Park - Removal of Unsafe Equipment	£1,280
3.	Castle Green - Install new rails at Go Cart track	£1,200
4.	Clatto Park - Upgrade equipment and safety surfacing	£10,920
5.	Claypotts - Refurbish and upgrade safety surfacing	£2,330
6.	Fairmuir Park - Upgrade play equipment and safety surfacing	£2,180
7.	Gillies Park - Replace and refurbish play equipment and safety surfacing.	£6,290
8.	Hilltown Park - Upgrade "loosefill" safety surfacing.	£2,580
9.	Lochee Park - Refurbish play equipment and safety surfacing	£9,900
10.	Magdalen Green - Upgrade safety surfacing	£3,640
11.	Milnbank - Upgrade play equipment and safety surfacing.	£2,870
12.	South Road - Remove all play equipment and landscape.	£2,300
	<b>TOTAL</b>	<b>£50,000</b>

The Director of Finance advises that the above costs of £50,000 can be met from allowances for Playground Improvements within the Environment Department's capital budget 2011-2012. It is recommended that the above proposals be approved and the Director of Environment be authorised to undertake these works.

#### **4 PUBLIC OPEN SPACE IMPROVEMENTS 2011/12 (AN176-2011)**

Proposals to undertake Public Open Space Improvements at a number of locations have been developed to address existing health and safety concerns and to enhance the amenity of these areas. The proposed measures will also help reduce the long term future maintenance burden.

1.	Falkland Crescent - Remove high maintenance shrubs, prepare and plant new low maintenance shrub beds.	£2,300
2.	31 - 49 Benvie Road - Pruning, thinning out and removal of high maintenance shrub areas.	£2,250
3.	54 - 58 Ballantrae Place - Clear out rear area and cultivate for grass.	£1,150
4.	Whitfield Rise - Remove high maintenance shrubs, cultivate for grass and plant 9 trees.	£2,700
5.	Baxter Street - Pruning, thinning out and removal of high maintenance shrub areas.	£2,400
6.	Rosebank Street - Removal of high maintenance shrub bed at north of park and cultivate for grass.	£2,000
7.	North West Radial Route - Remove high maintenance shrub areas, crown lift trees and replant with specimen shrubs.	£10,500
8.	Ward Road/West Marketgait - Removal of high maintenance shrub area and cultivate for grass. Plant 5 specimen shrubs/trees.	£1,200
9.	Whitehazel Park - Removal of high maintenance shrub area, crown lift trees, replant with low maintenance shrubs and erect new fence.	£4,500
10.	Logie Avenue Phase 3 - Removal of difficult to maintain grass area and plant up with new low maintenance shrubs.	£5,000

11.	Dunbar Park/Aberlady Crescent - Refurbishment of larch tree area.	£8,800
12.	Aberdour/Abernethy Road - Remove high maintenance shrub area and cultivate for grass. Mulch bed and carry out replanting with low maintenance shrubs.	£3,200
13.	Kinghorne Road Fencing - Upgrade section of existing perimeter fence	£4,000
	TOTAL	£50,000

The Director of Finance advises that the above costs of £50,000 can be met from allowances for Public Open Spaces Improvements within the Environment Department's capital budget 2011-2012. It is recommended that the above proposals be approved and the Director of Environment be authorised to undertake these works.

## **5 ADDITIONAL REFUSE DERIVED FUEL FROM ANGUS COUNCIL (AN177-2011)**

During optimum performance at the Dundee Energy Recycling Limited (DERL) Energy-from-Waste Plant, Dundee City Council is able to direct all its non-recyclable residual waste there as fuel, however at times, the plant still has a requirement for additional refuse derived fuel (RDF). Angus Council has requested to Dundee City Council to deliver some of their civic amenity waste during such periods. This is on a trial basis to assess the benefits to all three parties. The material will be processed into RDF at Dundee City Council's Baldovie Plant and will then be provided to DERL.

The associated charges and conditions to each party will be as per the existing waste contract plus an additional processing fee per tonne to Dundee City Council.

This arrangement will provide Dundee City Council and DERL with an additional income, will provide a higher level of fuel-stock during optimum plant running and will allow Angus Council to further reduce the amount of waste that they send to landfill.

Committee is asked to approve this arrangement.

**REPORT TO:** ENVIRONMENT COMMITTEE – 14 NOVEMBER 2011

**REPORT ON:** TRADING OPERATIONS FINANCIAL OPERATING STATEMENT AND OPERATIONAL PERFORMANCE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

**REPORT BY:** JOINT REPORT BY DIRECTOR OF FINANCE AND DIRECTOR OF ENVIROMENT

**REPORT NO:** 473-2011

## **1 PURPOSE OF REPORT**

To appraise the Committee on the financial position and operational performance of trading operation within the Environment Department for the six months ended 30<sup>th</sup> September 2011.

## **2 RECOMMENDATIONS**

The Committee is asked to:

- a note the current financial position and operational performance for trading operations; and
- b note that the trading operation should exceed the statutory requirement of break even for the third year of the current three year rolling period, which commenced at the start of financial year 2009/2010.

## **3 FINANCIAL IMPLICATIONS**

The City Council's approved 2011/2012 Revenue Budget included the sum of £388,000 in respect of Contract Services 2011/2012 surplus being credited to the General Fund. The surplus at 30 September 2011 amounts to £560,873 which with appropriate adjustments indicates that the budgeted annual surplus will be achieved.

## **4 MAIN TEXT**

- 4.1 Reference is made to Report number 786-2003 to the Finance Committee of 12 January 2004 where it was agreed that the City Council would publish Statutory Trading Accounts, as required by the Local Government in Scotland Act 2003 (the Act), for those services provided by the former Contract Services Department. The Act places a duty on local authorities to conduct such services so that, over a three year rolling period, the revenue generated at least equals the expenditure incurred.
- 4.2 In addition, the Council's Plan 2010-2012 has, as one of its values, to "efficiently utilise our resources to provide the highest standards of public service expected by the citizens and at an acceptable cost". The presentation of a quarterly financial and operational report to the Environment Committee is seen as a representation of the achievement of that value.
- 4.3 This monitoring report provides details to the Committee of the financial position and operational performance of the trading operation in regard to the requirement to meet the surplus set out in the City Council's approved 2011/2012 Revenue Budget and

assists Councillors, as committee members, in undertaking their responsibility for the supervision and control of the department.

4.4 The department has two main trading operational activities, being:

- Property Maintenance and Construction Work
- Land Services

## **5 FINANCIAL OPERATING STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011**

5.1 The financial operating statement for the six months to 30 September 2011 is detailed in Appendix 1 and it shows the actual financial position as at that date. It is important to stress that the statement is not end of year projections but simply reports on the period referred to, ie six months to 30 September 2011. The estimates detailed in the statement are the direct operational budgets of the activities listed.

5.2 The statement shows that the account is in surplus and, based on the six months results, the statutory requirement of break even should be exceeded for the third year of the current three-year rolling period, which commenced at the start of financial year 2009/2010.

5.3 The actual figures and budgeted surplus contained within this report take account of the fact that the Housing Repairs Partnership is on a 'cost plus' basis and required to break even by the end of the financial year.

## **6 OPERATIONAL PERFORMANCE FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011**

### **6.1 Trading Results**

The actual turnover for the period, detailed in Appendix 1, has increased by £2,166,266 when compared with the corresponding period of last year. This is due to an increase in turnover on major construction contracts won by the department.

In spite of difficult trading conditions within the construction industry, performance for the six month period has been in line with expectations, and a surplus of £560,873 achieved (Statutory Basis surplus £499,717). However, the prevailing market conditions and the requirement for the department to ensure competitiveness with the private sector, will result in challenging conditions for the rest of the year.

The department continues to monitor and evaluate performance through meetings of its Senior Management Team.

### **6.2 Maintenance Work**

Housing Repairs and Maintenance is carried out under the terms of a Partnership Agreement established in 2004 and recently extended for a further five years in 2009. Performance in this area is closely scrutinised by a Management Board comprising senior managers from Housing, Finance and Environment departments and by a Partnership Board which includes representatives of the Dundee Federation of Tenants' Association. The trend in both value of work and numbers of jobs has remained constant whilst works to prepare void property for relet have increased significantly over the three month period. External Cyclical Maintenance is in line with programme and progress is being monitored and regulated to achieve budget spend. The department has been successful in winning work in competition for Sanctuary Housing Association. It continues to explore opportunities for new areas of work with other public sector bodies to assist in the management of its resources.

Non-housing property maintenance also operates under a Partnership Agreement and the trend in both value and content of this work is reducing compared with previous years.

<u>Description</u>	<u>Number (Estimated)</u>
<b>Housing</b>	
Responsive repair jobs including voids but excluding daytime emergencies	14800
Emergency Repair Jobs including daytime emergencies	8100
External Cyclical Maintenance on Properties	2050
<b>Non Housing</b>	
Responsive Repair Jobs excluding daytime emergencies	986
Emergency Repair Jobs including daytime emergencies	462

### 6.3 Construction Work

The Environment Department's Construction Division is one of the Housing Department's key partners in delivering the Scottish Housing Quality Standard and is involved in a rolling programme of kitchen and bathroom replacements as well as heating replacement, rewire and roofing contracts. Much of this work is done under partnering arrangements, delivering on Best Value objectives. The department continues to win a significant proportion of its work through competitive tender.

During the period April to the end of September the following contracts were secured:

<u>Description</u>	<u>Number</u>	<u>Total Value</u> £
Major Contracts	29	£6,250,000
Minor Contracts	85	950,000

### 6.4 Land Services

In the six month period, Land Services has been employed, mainly, on landscape maintenance works, with all works being completed in accordance with the annual grounds maintenance plan.

The grounds maintenance programme along with orders received for landscape contract work may not keep the permanent workforce fully employed for the remainder of the financial year. Opportunities for additional works are being pursued to ensure a continuity of workload.

### 6.5 Training

The department's commitment to construction industry training is reflected by the recruitment of a further six new apprentices during 2011/12. This maintains the Trading Operations 10% tradesmen/apprenticeship ratio, which greatly surpasses the construction industry norm. In addition, the department has this year recruited a further two apprentices who were in the final year of their apprenticeship and who have recently been made redundant due to the current downturn within the construction industry. This short term employment will enable these apprentices to complete their training and apprenticeships.

In addition to the apprentices, the department invests heavily in training, particularly in relation to Health & Safety, and is committed to the principles of Lifelong Learning set out in the Community Plan. Training and development of all employees is recognised by the department's management team as being critical to maintaining the organisation's success. The department has maintained its status as an Investor in People.

## 6.6 **Summary**

The trading activities within the Environment Department play a significant role in the achievement of the Council's objectives of modernising and improving services and making best use of public resources. The Department recognises the contribution which its employees make and invests heavily in their training and development. The department plays a key role in responding to challenges on sustainability and waste management issues and plays its part in Building Stronger Communities.

## 7 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

## 8 **CONSULTATION**

The Chief Executive and Depute Chief Executive (Support Services) have been consulted in the preparation of this report. No concerns were expressed.

## 9 **BACKGROUND PAPERS**

Report to the Finance Committee on 12 January 2004, Report No 786-2003

**MARJORY STEWART**  
**DIRECTOR OF FINANCE**  
**20 OCTOBER 2011**

**KEN LAING**  
**DIRECTOR OF ENVIROMENT**

**DUNDEE CITY COUNCIL - FINANCE DEPARTMENT**  
**TRADING OPERATION PERFORMANCE MONITORING REPORT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011**

<b><u>Description</u></b>	<b><u>Actual</u></b> <b><u>Six months</u></b> <b><u>to 30/09/10</u></b> <b><u>£</u></b>	<b><u>Actual</u></b> <b><u>Six months</u></b> <b><u>to 30/09/11</u></b> <b><u>£</u></b>	<b><u>Estimate</u></b> <b><u>Year</u></b> <b><u>2011/2012</u></b> <b><u>£</u></b>
<b><u>Property Maintenance and Construction Work</u></b>			
Income	12,377,078	14,517,465	22,830,000
Expenditure	<u>12,214,943</u>	<u>14,114,115</u>	<u>22,522,000</u>
Surplus/(Deficit)	<u>162,135</u>	<u>403,350</u>	<u>308,000</u>
<b><u>Land Services</u></b>			
Income	2,739,864	2,765,743	5,330,561
Expenditure	<u>2,584,018</u>	<u>2,608,219</u>	<u>5,250,561</u>
Surplus/(Deficit)	<u>155,846</u>	<u>157,524</u>	<u>80,000</u>
<b><u>Total</u></b>			
Income	15,116,942	17,283,208	28,160,561
Expenditure	<u>14,798,961</u>	<u>16,722,334</u>	<u>27,772,561</u>
Surplus/(Deficit)	<u>317,981</u>	<u>560,873</u>	<u>388,000</u>