

**CABINET
29 JUNE 2021**

PART 1 REPORT

TITLE OF REPORT: GROUNDS MAINTENANCE CONTRACT REVIEW

REPORT OF THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER: CLLR STEVE JARVIS, EXECUTIVE MEMBER FOR ENVIRONMENT AND LEISURE

COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL / BUILD THRIVING AND RESILIENT COMMUNITIES / RESPOND TO CHALLENGES TO THE ENVIRONMENT

1. EXECUTIVE SUMMARY

- 1.1 To make recommendations for the future delivery of the maintenance of the greenspaces within North Herts implementing the recommendations below following a contract review process with the aim of shaping the service area for the next five years or more as a result of a Project Board process.

2. RECOMMENDATIONS

- 2.1. That Cabinet consider and approve the following: -

2.1.1 The existing contract with John O'Conner Grounds Maintenance Ltd is not retendered and that the specification is varied to accommodate 2.1.2 below.

2.1.2 The contract review process has identified an annual saving, as detailed in the Part 2 report, which is implemented from the 1st April 2022 for a period of 10 years with a mutual break clause after 5 years. This will extend the current arrangements with John O'Conner Grounds Maintenance Ltd by a further 5 years up to 2032.

2.1.3 The future Greenspace Management Strategy from April 2022 - 2027 reflects the proposals that make up the savings value as identified in 2.1.2 above.

2.1.4 To adopt the proposed approach to the structure of the Greenspace Team as discussed in section 15 of the report and detailed within the Part 2 report.

3. REASONS FOR RECOMMENDATIONS

- 3.1. A contract review process has been undertaken in the lead up to an agreed possible break point (31st March 2022) within the existing contract with John O'Conner Grounds Maintenance Ltd (JOC). The review was via a series of Project Board Meetings undertaken between January 2021 and May 2021. Additionally, this is the ideal opportunity to adjust the existing contract standards to accommodate the "Wilding" agenda and the economic impacts of Covid 19 upon the authority's finances.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The contract with JOC could be retendered to the open marketplace. The review has identified that there are no significant issues with the service being received currently and that it continues to reflect market value as known pre Covid 19. The impact of Covid 19 is unknown within the marketplace and potentially has only increased market costs. Therefore, a period of stability post Covid is required with regards the delivery of the greenspace service. This period of stability will enable new specifications to be embedded using a known contractor that already has an established working relationship with the Council. Additionally, a period of stability will allow for more predictable budgeting in the future.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. Consultation has been undertaken via the creation of a Project Board that involved the following Executive Members and Officers. Cllr Steve Jarvis, Cllr Adem Ruggiero-Cakir, Vaughan Watson Service Director Place, Ian Couper Service Director Resources,
- 5.2. In addition, the proposals have been in negotiation with John O'Conner Grounds Maintenance Ltd.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 5th February 2021.

7. BACKGROUND

- 7.1 The contract review process was set up with a Project Board that consisted of Executive Member Cllr Steve Jarvis, Deputy Executive Member Cllr Adem Ruggiero-Cakir, Service Director Place Vaughan Watson, Service Director Resources Ian Couper, Service Manager, supported by a project team consisting of Service Manager Green Space, Andrew Mills, Greenspace Manager Thomas Ayres Contract Solicitor Ekundu Aleku with contributions made by John O'Conner Grounds Maintenance Ltd.
- 7.2 The end of the financial year 2021- 2022 is the opportunity to implement a review of the current service provision for Greenspace due to a negotiated break clause that can be applied to take effect on the 31st March 2022 which is mid-way through the existing contract term.
- 7.3 The current contract term commenced on the 1st April 2017 for a period of 10 years up to 31st March 2027, but with an agreed mutual break clause at the halfway point at 31st March 2022. This contract term was agreed following a previous contract review in 2016/17 that identified significant annual savings over the 10-year term. These savings are still being realised currently.
- 7.4 Additionally, the "wilding agenda" has seen a significant rise in support throughout the community and there is an opportunity to consider alternatives that could support this agenda and the environment.

- 7.5 The Service Level Agreement (SLA) with Settle Housing is due to expire on the 31st March 2022 and a contract review would be able to accommodate and plan for their ongoing involvement or withdrawal from any future agreements.
- 7.6 The Agency Agreement (AA) with Herts Highways has recently being renewed on a rolling 2-year contract basis and therefore some assurance is given that this will be a long-term commitment for North Herts DC and Herts Highways.
- 7.7 As part of the Contract Review process, a review of the Greenspace Team has been undertaken to ensure it is fit for purpose in the future. Section 15 below provides further detail.

8. RELEVANT CONSIDERATIONS

- 8.1 Project Board has met on 4 separate occasions and has identified the opportunities at Section 10 below to take forward from the 1st April 2022.
- 8.2 The SLA with Settle Housing and the lack of clarity regarding their future intentions has been a cause of some concern. Consequently, the options from the 1st April 2022 have been calculated based on either Settle Housing remaining within or leaving the contract provision. Legal advice has been sought regarding both scenarios.
- 8.3 Specific considerations regarding the specific proposals are identified in the table below

Ref	Description	Impact
1	Play	
1.1	Open paddling pools for the normal annual timeframe of early May to mid-September each year with only one attendant working between all four locations.	There should be no noticeable impact as seen by the users. However, the attendant will be solely focused upon maintaining water quality across all four locations. Additional signage will provide the details of who to contact for lost property or any other reason
1.2	Reduce playground inspection to combination of Daily (Mon-Fri), 3 x week, 1 x week based on usage.	NHDC and JOC insurers have both confirmed the proposals are acceptable. This does not impact upon daily visits for litter picking etc which will continue.
2	Howard Park and Gardens Management	
2.1	Adjust the management of Howard Park and Gardens	Loss of a point of contact with the users of Howard Park and Gardens which will place increased reliance upon Officers to maintain communications with the Friends of Group etc
3	Grass	
3.1	Highway grass cut six times between March and October, aspiration for nine cuts if achievable. This proposal is still in line with the existing Agency Agreement between Herts Highways and NHDC	Could generate some negative comments once residents see grass verges being mown less frequently. When the grass is cut this will create high volumes of arisings than seen previously

3.2	Strimmer operator to alternate between two Highway teams in distinct areas	This will allow the grass to grow longer around obstacles and along fence lines etc which may have a negative impact visually
4	Bedding	
4.1	Remove summer & winter bedding that is not sponsored or in cemeteries or War Memorials (586 sq.m). To be replaced with turf or shrubs	Loss of summer flower displays which may cause a negative impact. These displays can be reinstated if a sponsor is found later

9 LEGAL IMPLICATIONS

- 9.1. Paragraph 5.6 of Cabinet's Terms of Reference in the Constitution sets out the functions of Cabinet and includes the responsibility to "oversee the provision of all the Council's services other than those functions reserved to the Council." (Paragraph 5.6.3).
- 9.2. The Grounds Maintenance Contract with John O'Connor (the "**Contract**") is for a value above the relevant threshold therefore the Contract and any modification to it is governed by the Public Contracts Regulations (**PCR**) 2015.
- 9.3. Officers have proposed modifications to the Contract to allow for cost savings for the Council and these modifications have been considered in view of Regulation 72 of the PCR 2015 which sets out the limited circumstances in which applicable contracts may be modified during their term without the need for a new procurement process.
- 9.4. Officers consider that the proposed cost saving modification would be permissible under Regulation 72(a) and (e) of the PCR 2015. Furthermore, the cost saving modification is also permitted under the Contract. Clause 25.5 of the Contract encourages the contractor to suggest alternatives to the services which may reduce the costs of the services and if the parties agree, Clause 25.6 states that the Contract may be altered to give effect to these alternatives.
- 9.5. With regards to the potential modifications that may arise post March 2022 if the SLA with Settle Housing is not renewed, Officers consider that the modification will be permissible under Regulation 72 (e) of the PCR 2015 as Settle Housing's exit will not amount to a substantial change as defined by Regulation 72(8) of the PCR 2015.
- 9.6. The Council has a legal duty to review the services it provides to ensure that best value is always accounted for and rule 28 of the Council's Contract and Procurement Rules (CPRs) state the relevant procedures to be followed where a variation of a contract is required.
- 9.7. Legal Officers will assist Officers in complying with the relevant rules in the CPRs.

10. FINANCIAL IMPLICATIONS

- 10.1. The proposals as set out in the table below have been identified to produce a potential annual saving.

John O'Conner (Grounds Maintenance) Ltd.
NHDC Project Board Savings

Ref	Description
1	Play
1.1	Open paddling pools for the normal annual timeframe of early May to mid-September each year with only one attendant working between all four locations.
1.2	Reduce playground inspection to combination of Daily (Mon-Fri), 3 x week, 1 x week based on usage.
2	Howard Park and Gardens Management
2.1	To adjust the way Howard Park and Gardens is currently managed.
3	Grass
3.1	Highway grass cut six times between March and October, aspiration for nine cuts if achievable. This proposal is still in line with the existing Agency Agreement between Herts Highways and NHDC
3.2	Strimmer operator to alternate between two Highway teams in distinct areas
4	Bedding
4.1	Remove summer & winter bedding that is not sponsored or in cemeteries or War Memorials (586 sq.m)
5	Settle Homes (for info)
5.1	Reduction in Management fee if Settle leave the contract

Please note:

The redundancy costs are not factored into the indicative savings above.

In return for achieving an acceptable saving, consider extending the contract by five years with a break clause in 2027.

Contract Savings & Cost Increases

In 2017 a significant annual saving was agreed with NHDC & extension to 2027

Waste costs have increased by 128% since 2014

NLW and statutory pension contribution increases have been absorbed through annual contract indexation without additional claims.

- 10.2 These proposals fall short of the notional savings target as initially proposed at the beginning of the contract review process.

11. RISK IMPLICATIONS

- 11.1. Impacts of proposals public perception etc.
- 11.2. Increasing pressure due reputational impacts of service changes

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no equalities implications of the subject of the report

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report as they were considered at the outset of the initial procurement and have been monitored throughout the term of the contract.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. Environmental Impact Assessment has been undertaken regarding this contract review. The assessment has been attached at Appendix A

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 The existing structure of the Greenspace Team was reviewed as part of the Contract Review process and for the immediate future with several minor adjustments have been considered. These adjustments are to reflect the following –

Increased public focus upon the environment and biodiversity
Recognising the importance of the Cemeteries and Burials Service
Retaining some contract monitoring presence to ensure standards are retained.

- 15.2 The proposed savings will also have a visual impact upon the appearance of the District and once again this will generate significant levels of customer enquiries. It is therefore also proposed not to restructure the Greenspace Team for at least 12 months after the proposals have been instigated. A review of the Greenspace Team in 2023 – 24 will then be able to identify the workloads at that time, post a period of change, and therefore be able to identify a sustainable way forward according to the circumstances at that time.

16. APPENDICES

- 16.1 Appendix A - Environmental Impact Assessment

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 Project Board Reports and meeting minutes 1 through to 4