CABINET
TUESDAY, 22 SEPTEMBER 2026

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: Grounds Maintenance Contract Review

REPORT OF: Director - Environment

EXECUTIVE MEMBER: Executive Member - Environment

COUNCIL PRIORITY: Sustainability

1. EXECUTIVE SUMMARY

1.1 To review the grounds maintenance contract and seek approval for a five-year contract extension with John O'Conner (Grounds Maintenance) Ltd until 31 March 2032.

2. RECOMMENDATIONS

2.1. That Cabinet approve a five-year contract extension of the Grounds Maintenance Contract with John O'Conner (Grounds Maintenance) Ltd to 31st March 2032.

2.2. That Cabinet comment on the proposal at 8.1 to include a proposal as part of the budget setting process for 2027/28, to enhance the contract specification for border maintenance at key town centre green spaces – at a cost of approximately £25k per year.

3. REASONS FOR RECOMMENDATIONS

3.1. A contract review process has been undertaken in the lead up to a potential break clause (31 March 2027) in the existing contract with John O'Conner for delivering our grounds maintenance services. The recommendations arise following that review process.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 We could have gone out for a full procurement exercise for a new contract; however, this was discounted for the following reasons:

- The contract performance is monitored by the NHDC Greenspace team, and the team are satisfied with the current contractor's performance.

- The current Contract term is for 10 years up until 31 March 2032, with a five-year break clause, therefore there are no legal reasons that it would be necessary to go out to procurement.

- Procuring a new contract of this size would be costly and resource intensive. Local Government Reorganisation (LGR) also means that procuring a contract for more than 5 years would not necessarily be in the best interests of the new authority, particularly given the recent government announcement which has amended the initial timeline

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. A project oversight group was set up to provide advice and oversight of the contract extension process. This includes the Director – Environment, members of the Greenspace team and senior legal and finance representatives. The Executive Member for Environment has been briefed on the contract extension and is supportive.

5.2. The contractor (hereafter JOC) has also been fully engaged in the review process to identify any potential changes to the contract specification.

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 19th June 2026.

7. BACKGROUND

7.1 The current contract term commenced on 1 April 2017 for a period of 10 years up to 31 March 2027, but with an agreed mutual break clause of 31 March 2022. At its meeting on 29 June 2021, Cabinet agreed to a change in contract specification, implemented from 1 April 2022 for a period of 10 years, with a mutual break clause after 5 years – extending the current arrangements by a further 5 years to 31 March 2032.

7.2 Significant changes to the contract specification were made in the last two consecutive contract review processes, which resulted in savings to the Council which are still being realised.

7.3 In addition the Council's Service Level Agreement (SLA) with Settle for management of their ground's maintenance requirements is due to expire on 31 March 2027. At the time of writing the report, the Council is awaiting a decision from Settle Housing – (now SettleParadigm) as to whether they wish to continue for a further five years. The contract review process with John O Conner has therefore looked at both options, including settle's work and one without.

8. RELEVANT CONSIDERATIONS

8.1 As significant savings options were agreed during the last two rounds of contract reviews, there was very limited opportunity to consider major contract specification variations, without significantly compromising the quality of the service provided to residents. However, some minor variations are proposed as below:

- Rose pruning has been removed, due to revised meterage and specification resulting in cost savings.

- Leaf collection reviewed. Leaves only collected in areas such as play parks, paths, steps and selection of other key areas. Leaves not to be collected in natural areas of greenspace, due to the benefits of leaf composition to the soil.

- The use of pesticide in borders to be stopped at all sites. Pesticides will only be used in a small selection of hard standing areas, submitted to JOC and costed. This will now be within the contract price, rather than charged as an additional cost (Variation Order).

- In addition, it is proposed to increase the frequency of JOC visits to key town greenspaces to improve standards. Border maintenance including weeding, shrub pruning and general presentation would be carried out twice per month at these important parks. It is proposed that this enhancement be considered as part of the budget setting process. This would be an additional annual cost of £25k.

- Water fountains were removed from the town centre parks several years ago and therefore there is a small saving on maintenance costs.

- There have been some amendments to quantities and rates, for example collection of dual - litter bins and dog bins.

- Water flushing at sports pitches has been removed from the contract, as this is now being managed by property services.

8.2 As part of its Sustainability Strategy the Council has an action to “Work with our contractor to transition the green space service contract fleet to fully electric, if feasible, and to fully electric machinery by 2030.” Therefore, as part of the contract review, the greenspace team and contractor have been reviewing options for how we could make progress towards delivering this action.

8.3 Our contractor has increased the number of items of electric equipment (18% of electric machinery) and they plan to roll this out further during the next five years. There are however some limitations with the roll out of electric vehicles. The vehicles used on contract need to carry heavy machinery and unfortunately this means that with the additional weight of an EV battery, operationally it would mean the vehicles would largely end up being overweight. Additionally, the operatives take their vehicles home with them overnight which complicates the potential transition, due to the need to install suitable charging points.

8.4 There is also very limited space at the Knowles Peace depot to install adequate EV charging infrastructure. For all the above reasons, currently it is not deemed feasible to have 100% electric vehicles on the contract. However, the team will continue to monitor the situation and the further rollout of electric machinery.

8.5 Separately, following the rollout of the use of Hydro-treated vegetable oil (HVO) for the large vehicles on the waste contract, which reduces emissions from diesel by around 90%, this was also considered as an alternative to rolling out electric vehicles on the grounds maintenance contract. As part of the contract review process, JOC were asked a number of questions regarding electric machinery and vehicles, and the potential roll out of HVO, to establish what feasible options are. (See Appendix B). The roll out of HVO is complicated as JOC do not currently have a fuel tank on site, as operatives purchase fuel at service stations. This would need to be installed at a cost of up to around £18,000. JOC also indicated that this model of refuelling would impact on productivity, adding on refuelling time, due to only having the one tank to refuel. This means they would also have to travel to the depot to refuel, so increasing mileage. HVO prices are also currently expensive compared to diesel, although there is the ability to mix HVO with diesel. However, one of the key factors in delaying introduction of HVO is the uncertainty over future arrangements post LGR. For example, the long-term depot situation and procurement of any contracts post 2032. For all these reasons, the potential use of HVO will be put on hold.

8.6 Under the new unitary arrangements, some of the current NHDC greenspaces which are currently maintained under the contract (those in Royston), will move over to the Eastern authority. The implications of this will be fully considered by both the Central and Eastern authorities in due course. Due to the need for certainty over procurement of vehicles, a shorter extension on the existing contract term would be likely to increase costs and therefore is not recommended.

9. LEGAL IMPLICATIONS

9.1 Cabinet has remit under 5.7.15, “To oversee the provision of all the Council’s services other than those functions reserved to the Council”.

9.2 The procurement and contract arrangements will be subject to the Council’s Contract Procedure Rules and applicable procurement legislation.

10. FINANCIAL IMPLICATIONS

10.1 Due to the minor variations identified at 8.1, there has been a net increase in the contract cost of £6k. The total annual contract value (including settle housing would be £2.261m (subject to inflationary increases)

10.2 The total annual contract value without settle housing would be £1.795m (subject to inflationary increases). The Settle Housing SLA with the Council generates a £50,000 management fee income, set against £40,000 payable to John O Connor, resulting in a net £10,000 income to the Council. This net £10k income would be lost if settle do not continue with a further SLA.

10.2 There is an additional optional increase in costs of £25k for enhanced border maintenance in town centre parks. Cabinet are asked to consider whether to include this in the revenue investment proposals for 2027/28.

10.3 There are no direct capital implications arising from this decision. However, during the new contract period it is likely that JOC will need to obtain new vehicles. Under accounting rules there is likely to be a need for the Council to treat these as its assets. This will be addressed through the budget setting process. The actual payments to JOC will still be in accordance with the agreed contract sum.

11. RISK IMPLICATIONS

11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

11.2 LGR may create uncertainty around future council structures, responsibilities and service arrangements which could affect the timing, scope and longer-term arrangement for the grounds maintenance contract. There are issues specifically around boundary change, due to Royston moving to the Eastern authority. These issues will be picked up as part of the relevant LGR workstream.

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 as a result of this report.

13. SOCIAL VALUE IMPLICATIONS

13.1 The Social Value Act and “go local” requirements do not apply to this report as the contract was originally procured prior to formal social value requirements coming into effect. However, as part of the contract review, JOC have agreed to produce a social value delivery plan, progress on which would be monitored at Partnership Board meetings.

14. ENVIRONMENTAL IMPLICATIONS

14.1 An Environmental Impact Assessment has been undertaken. Please see Appendix A. The impacts of the contract have been reviewed and there are mitigation measures included in the assessment which relate to use of Electric Vehicles and machinery. These actions will be monitored during monthly contract meetings, as outlined in section 7 of the assessment.

15. HUMAN RESOURCE IMPLICATIONS

15.1 Under the existing Service Level Agreement with settle, the Council's Greenspace team manage and monitor the contractual relationship with John O'Conner on behalf of Settle. Therefore, if Settle do not opt into a further SLA period, there will be some staffing implications for the Greenspace team to consider. This will be reviewed once we have a decision from Settle.

16. APPENDICES

16.1 Appendix A - Environmental Impact Assessment
16.2 Appendix B - Fuel Alternative Feasibility Questions/Answers

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18. BACKGROUND PAPERS

18.1 None.