

## Report to Cabinet

Cabinet meeting Thursday 4 June 2020  
By the Cabinet member for Leisure and Culture  
**DECISION REQUIRED**



### Open

**Appendix 1 and background papers** exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972

## Extension of the Council's grounds maintenance contract

### Executive Summary

There is an opportunity to align the arboriculture and grounds maintenance contracts from 1 April 2022. There are several benefits with this recommended approach and a revised specification, including:

- The ability to support the aims in the Wilder Horsham District initiative ensuring that the environment is protected and wildlife habitats are enhanced.
- To contribute towards the council's sustainability and carbon-reduction ambitions, as detailed in the Corporate Plan.
- Depending on the market's response, this may provide the council with a financially beneficial outcome.

In order to take advantage of this combined approach, it is necessary to extend the current grounds maintenance contract for a short period as it is due to end on 31 December 2020.

### Recommendations

Cabinet is recommended:

- i) To extend the current grounds maintenance contract for a period of 13 months, to end on 31 January 2022.

### Reasons for Recommendations

The current arboriculture contract is due to end on 31 March 2022 and there is no option for extension. There is therefore an opportunity to combine the grounds maintenance contract with the arboriculture contract, through one tender process, in order to achieve the council's sustainability ambitions and gain efficiencies.

For operational reasons it is less risky to start a new grounds maintenance contract in February 2022 rather than April 2022. Therefore although there will be one procurement process and one resulting contract, the grounds maintenance element will start under the new contract in February 2022, whilst the arboriculture element will start under the same new contract in April 2022. Both elements will finish and will be reviewed again in the future on the same date.

## **Background Papers**

None

**Wards affected:** All

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## **Background Information**

### **1 Introduction and Background**

- 1.1 The current grounds maintenance contract is for a period of seven years, which comes to an end on 31 December 2020. There is an option within the current contract to extend for a further period of up to another seven years (a maximum of 14 years in total). The council is obliged to inform the contractor as to whether it wishes to extend the contract or terminate by 30 June 2020.
- 1.2 The current arboriculture contract comes to an end on 31 March 2022 and does not have an option for extension, so it must be re-tendered at this point.
- 1.3 The current cost of the grounds maintenance contract and arboriculture contract are detailed within Appendix 1.
- 1.4 The grounds maintenance contract includes grass cutting, hedge cutting, shrub maintenance, town centre floral displays, weed killing, marking of sports pitches, planting and landscaping.
- 1.5 The arboriculture contract is for tree maintenance, in-line with the council's statutory obligations, including the removal of dangerous trees.
- 1.6 There is an opportunity to align both the arboriculture and grounds maintenance contracts into one tender process. This provides the potential to change working practises to help achieve the Wilder Horsham District aims, protect the environment and gain efficiencies.
- 1.7 In order to achieve a combined new contract in 2022, it is recommended that the current grounds maintenance contract is extended by 13 months.
- 1.8 In April (if the spring weather is sunny) the growing season is underway which means that it is a key month for grass cutting. It is therefore less of a risk to start a new grounds maintenance contract in February, this allows for the change in staffing and introduction of a revised specification before the grass starts to grow fast. For these operational reasons, it is recommended that the current grounds maintenance contract is extended for 13 months – until 31 January 2022. This will mean that the new grounds maintenance element of the new contract begins on 1 February 2022 (and is followed by the new arboriculture element of the same new contract on 1 April 2022).

### **2 Relevant Council policy**

- 2.1 The 13 month extension to the grounds maintenance contract and subsequent full tender process supports the council's aim within the corporate plan to ensure 'a cared for environment', specifically:
  - 'prioritised protection of the environment and increased biodiversity'
  - 'Improved award-winning parks and open spaces'
  - 'Move towards a carbon neutral organisation'

- 2.2 The proposal also supports the council's aim within the corporate plan to be 'a modern and flexible council', specifically:
- 'the council continues to provide quality, value for money services that people need throughout the 2020s.'
- 2.3 The proposed 13 month extension fulfils the council's procurement code requirements and EU procurement regulations. The Procurement Manager has also been consulted.

### **3 Details**

- 3.1 In choosing a 13 month extension to align with the arboriculture contract, the subsequent re-tender process provides an opportunity for the council to fully test the market, refine the specification to meet the council's sustainability ambitions and look to gain resource efficiencies.
- 3.2 The re-tender process also provides an opportunity for the council to incorporate relevant aspects of the Wilder Horsham District initiative to improve the ecology, wildlife and biodiversity of the council's parks, open spaces and countryside.
- 3.2 The council would also be able to ensure that a new specification includes the requirement for all machinery and tools to be electric and therefore carbon neutral.
- 3.3 When refining the specification there will be the opportunity to look at whether it would be beneficial for additional elements currently managed within the Parks and Countryside team to be included within the contract. Equally, it may be advantageous to review whether any aspects should be removed or amended.

### **4 Next Steps**

- 4.1 Officers are required to inform the incumbent contractor of the extension decision by 30 June 2020.

### **5 Views of the Policy Development Advisory Group and Outcome of Consultations**

- 5.1 The Leisure and Culture Policy Development Advisory Group was consulted on Wednesday 13 May 2020. Two options were presented to the group – a short-term extension and a longer seven year extension. Both options were presented as valid subject to finalisation of details.
- 5.2 The Monitoring Officer and Director of Corporate Resources have been consulted.

### **6 Other Courses of Action Considered but Rejected**

- 6.1 A full tender process open to the market or via a framework was investigated. The opportunity to delay this process in order to align with the arboriculture tender was seen as having more potential value for the council.

- 6.2 A maximum seven year extension period was also considered. The existing contract enables a maximum extension period of seven years. This was examined as a potential option to enable the council to have certainty over its financial commitment for a longer period – particularly due to the current Covid 19 uncertainties. This option was deemed to be viable particularly as there is the ability for minor variations within the contract period. On balance, the thresholds for variations within the contract were felt to be too limiting. The opportunity to refine the specification to be in-line with the Wilder Horsham District ambitions as well as gaining potential efficiencies through a new tender process in 2022 were deemed to be more attractive.
- 6.3 Other extension lengths were also looked at but were not found to be of financial benefit for the council.

## **7 Resource Consequences**

- 7.1 The current contract increases each year in-line with the Consumer Price Index (CPI). The current contract is divided into the 'core contract' and then 'additional work' that is separated out to aid flexibility. The additional work has agreed rates that also increase in-line with CPI each year. See Appendix 1.
- 7.2 The proposed 13 month extension includes a payment to enable the current contractor to meet its obligations regarding the National Living Wage increase. This is seen as a reasonable request from the contractor and enables the council to support those contracted staff on the lowest wages. See Appendix 1.
- 7.3 A small increase in other costs is unavoidable to extend the current contract by 13 months. However, this is more than offset by the savings produced from an ongoing review of the content in the core contract during 2019/20 which has resulted in a reduction in cost for 2020/21. The non-scheduled additions have also been scaled back in 2020/21 to produce an overall cost saving. This is despite the inflationary pressures and costs for the change in contract length. The variable aspects of the contract will continue to be managed tightly throughout the extension period and any opportunities to reduce costs without affecting the end service will be reviewed. See Appendix 1.
- 7.4 The Council expects that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 will apply on this Contract. This allows staff who work on the current contract to transfer to a new contractor.

## **8 Legal Consequences**

- 8.1 The council has complied with the procurement code in proposing the 13 month extension. It also fulfils the requirements of the existing contract.

## **9 Risk Assessment**

- 9.1 Due to the current uncertainty with Covid 19, it is difficult to predict the grounds maintenance market in 13 months' time. There is the risk that a new tender process

at this point does not provide financial efficiencies for the council or the market may dictate that costs will increase.

- 9.2 As the recommendation is to combine the grounds maintenance with the arboriculture contract – this expanded offer is likely to be more appealing to the market and so reduces the risk of costs increasing substantially.

## **10 Other Considerations**

- 10.1 The report supports the council's sustainability and environmental ambitions as laid out in the Corporate Plan.
- 10.2 It is not seen as necessary to carry out an Equalities Impact Assessment for the 13 month extension to the current contract. The existing service and the council's expectations of the contractor will simply continue in-line with the present arrangement.