

Joint Meeting of the Environment Overview and Scrutiny Committee and Rural and Communities Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Extraordinary Meeting

Monday, 27 June 2022 at 2.00 pm
Council Chamber – South Kesteven House, St. Peter's
Hill, Grantham. NG31 6PZ

Committee Members: Councillor Ashley Baxter, Councillor Richard Cleaver, Councillor John Cottier, Councillor Phil Dilks, Richard Dixon-Warren, Councillor Barry Dobson, Councillor Ben Green, Councillor Gloria Johnson, Councillor Philip Knowles, Councillor Nikki Manterfield, Councillor Sarah Trotter, Councillor Hilary Westropp, Councillor Hannah Westropp and Councillor Ray Wootten

Agenda

1. Apologies for Absence
2. Disclosure of Interests
3. Grounds Maintenance Options Appraisal

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**SOUTH
KESTEVEN
DISTRICT
COUNCIL**



Joint Overview and Scrutiny

27 June 2022

Report of: Councillor Mark Whittington

Cabinet Portfolio Holder for Waste and Climate Change

Grounds Maintenance Options Appraisal

To provide detail on the work which has been undertaken to develop a new specification for the Council's grounds maintenance service, and to provide a recommendation to Cabinet on the way forward in respect of the future delivery of the grounds maintenance delivery service.

Report Author

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| Corporate Priority: | Decision type: | Wards: |
|-----------------------------------|----------------|-----------|
| Clean and Sustainable Environment | Key | All Wards |

| | | |
|-----------------------|--|--------------|
| Reviewed by: | Nicola M ^c Coy-Brown, Director of Growth and Culture | 17 June 2022 |
| Approved by: | Richard Wyles, Chief Finance Officer | 17 June 2022 |
| Signed off by: | Councillor Mark Whittington, Cabinet Portfolio Holder for Waste and Climate Change | 17 June 2022 |

Recommendations to the decision makers

The Joint Environment Overview and Scrutiny Committee and Rural and Communities Overview and Scrutiny Committee is asked to:

1. Support the options in respect of the future delivery of the grounds maintenance service and recommend to Cabinet that procurement commences to assess the future delivery options of the grounds maintenance services.

1 The Background to the Report

- 1.1 Included within the Council's Corporate Plan 2020-23 is a key priority to be a 'High Performing Council' with a focus on managing finances and assets effectively. To ensure this can be achieved it is good practice to review the various operations and assets of the Council to ascertain whether current methods of delivery are the optimal models, and to ensure that they align with the Council's vision and priorities.
- 1.2 Since 1 March 2019, the Council's grounds maintenance service has been provided by EnvironmentSK Limited, a wholly owned Council company. Prior to this the Council had a contract with Glendale Limited, which commenced in 2014 and ended in 2019.
- 1.3 The Council is responsible for the grounds maintenance of Council-owned land, including General Fund and HRA land. Being a predominantly rural district, 3% of the land being maintained is in urban areas, with 97% being in rural locations.
- 1.4 In addition, 21 closed churchyards are maintained and the current arrangements also include the three parks in Grantham, Grantham Cemetery and maintenance of sports fields, including white lining. The total amount of land maintained equates to 1.5 million square metres across the district. The total cost to the Council is £1.016M for the current financial year. This is split between £428,000 Housing Revenue Account (HRA) and £588,000 General Fund.

Housing Revenue Account

- 1.5 The Housing Revenue Account costs are incurred by the Council in its role as a social landlord. Grounds Maintenance services currently undertaken in respect of this function include maintenance of:
 - Sheltered Housing Schemes communal areas (grass cutting);
 - Housing Estate open amenity areas (grass cutting);
 - Hedge cutting in relation to communal and amenity areas;
 - Weed spraying and removal;
 - Moss removal; and
 - Void property garden clearance.
- 1.6 Included within the current arrangement is the maintenance of gardens for Council tenants who are on an Assisted Garden Scheme, which enables tenants to access a service to maintain their gardens in accordance with the terms of their tenancy agreement. Around 450 gardens are maintained through this scheme (see background papers section).
- 1.7 Members may wish to note that the Assisted Garden Scheme is currently not recharged to users of the service. Work is underway, including consultation with Rural and Communities Overview and Scrutiny Committee, to examine this charging model and consult with tenants in relation to recovering the costs of this service, in line with common practice by local authority landlords.

General Fund

- 1.8 The cost headings incurred by the General Fund are in respect of the following areas:
 - Grass areas – mowing and maintenance
 - Beds and borders – maintenance
 - Hedge maintenance

- Young tree maintenance
- Grantham cemetery and burials
- Closed churchyards
- Sports field maintenance
- South Kesteven Sports Stadium and Grantham Meres Leisure Centre outdoor facilities
- Parks and Public realm

1.9 In assessing any future potential options for the delivery of grounds maintenance it will be important for the Council to consider its current priorities. EnvironmentSK Limited was established at a time when there was a greater emphasis on attracting external work and commercialising the service. However, the Corporate Plan 2020-23 places a greater emphasis on managing finances and services being delivered more efficiently and effectively.

1.10 To ensure the Council is achieving best value whilst maintaining a high quality service it is necessary to explore a range of delivery models. These are set out in this report. Initial discussions have taken place with EnvironmentSK Limited, together with an assessment of the external market that is available to the Council.

Specification Review

1.11 In readiness for the review of the grounds maintenance service, a review of the maps and site plans have been undertaken which demonstrated some out of date information and a lack of specific details on the maintained areas. As part of the specification development, a team of officers have been responsible for measuring and re-mapping the areas of land to ensure that these are accurate.

1.12 As part of the preparatory work a fundamental review of the grounds maintenance obligations has been undertaken to develop a new grounds maintenance specification. This specification is supported by detailed digital mapping information that ensures that the contract reflects the current requirements that meets the needs of the Council.

1.13 Workshops have been held in order to provide advice on a range of variables within the specification, including grass cutting frequencies, to ensure the new specification accurately reflects the level and quality of work required to keep the District to a high standard.

1.14 Details from the review of the sites, including accurate measurements, have since been plotted into StatMap, a new geographical information system (GIS). This has provided one master database of the district and the areas which are maintained. Information is provided in several layers including details on legal ownership, HRA homes and open spaces, communal areas, hedges, aerial photographs and a detailed breakdown of the work required for each area.

1.15 In all 2,627 sites, that the Council currently maintains, have been visited, measured and photographed, the breakdown of these is as follows:

- 1,422 General Fund sites
- 1,205 Housing Revenue Account sites

1.16 The use of the StatMap system has allowed the Council, and any future provider, to easily identify locations. The system will need to be kept up to date and will be a key management tool to monitor performance.

- 1.17 Detailed mapping information is a key component of the new specification and these include detailed breakdowns of the work required at each location.
- 1.18 Any specification will seek to define general matters, for example health and safety, waste disposal, and more detailed issues in relation to the works to be delivered.
- 1.19 The general specification requirements are as follows:
- General requirements
 - Safety requirements
 - Security
 - Working Times
 - Damage to property Maintenance Areas
 - Materials
 - Dying Plants
 - Application of Pesticides
 - Waste Disposal
 - Green Waste
 - Hazardous Waste
 - Defective Plant Materials and Defects Liability Period
 - Plant Pests
 - Vermin Control
- 1.20 The detailed specification requirements define the key works to be delivered and are listed below:

| | |
|--|---|
| Grass Areas – mowing and maintenance | <ul style="list-style-type: none"> • Amenity mowing – open spaces • High Spec area mowing • Playing fields • Highway verges • Closed Churchyards • Wild Meadow areas • Housing sheltered schemes • Housing amenity open spaces • Turf edge cutting |
| Beds and borders – maintenance | <ul style="list-style-type: none"> • Shrub beds • Flower Beds • Planters |
| Hedge Maintenance | <ul style="list-style-type: none"> • Hedge cutting and maintenance |
| Young Tree Maintenance | |
| Assisted Garden Maintenance Service | <ul style="list-style-type: none"> • Regular assisted garden service • Garden tidy service • Major garden clearance |
| Hard areas | <ul style="list-style-type: none"> • Weed control • Moss treatment • Leaf removal • Winter salting |
| Water storage basins, gratings, and water courses | |
| Grantham Cemetery and Burials | |
| Closed Churchyards | |
| Sport field maintenance | <ul style="list-style-type: none"> • Football and Rugby pitches • Line marking |
| The South Kesteven Sports Stadium and Meres Leisure Centre | <ul style="list-style-type: none"> • The South Kesteven Sports Stadium • Meres Leisure Centre |
| Parks and Public Realm | <ul style="list-style-type: none"> • Wyndham Park • Queen Elizabeth Park |

| | |
|--|--|
| | <ul style="list-style-type: none"> • Dysart Park • St Peter's Hill and Abbey Gardens |
|--|--|

Future Options

- 1.21 EnvironmentSK Limited has been asked to utilise the newly developed specification to provide an accurate current cost for the delivery of the service. This can then be used as a comparison in order to assess the financial and wider benefits of alternative options.
- 1.22 The following table includes detail on the options and potential benefits which have been identified through the workshops including considerations and potential benefits:

| Option | Consideration |
|--|--|
| Retain the services of EnvironmentSK Limited | EnvironmentSK Limited is currently assessing the costs of providing the service using the new specification and will be invited to submit a bid alongside market providers. The information used from this work will be compared to the other options identified. |
| Access the Grounds Maintenance supplier market | <p>Currently the Council has no knowledge of what the market could provide, both in terms of level of service and the associated costs. An external provider may be able to bring financial savings and service efficiencies that would be beneficial for the Council due to their economies of scale.</p> <p>With support from procurement colleagues, Officers have been exploring options to test the market. The ESPO (Eastern Shires Purchasing Organisation) Grounds Maintenance Services Framework (Lot 245 1) provides an opportunity for the Council to facilitate a mini competition to assess the cost and wider benefits of securing a commercial contractor.</p> <p>There are a total of thirteen contractors on the framework, although not all may engage in the competitive process.</p> |
| Insource the service | The costing exercise being undertaken by EnvironmentSK Limited on the new specification could be used as a baseline and then overlaid with the additional costs that would be incurred by the Council if the service was delivered in-house. Typically, this would include pension liability. However, any additional costs may be able to be offset by the integration of the Grounds Maintenance Service into the Council's overall service structures. |

2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 In 2021/22, the Council conducted its "Big Listen" survey, a comprehensive survey of all tenants and residents. With a response rate of nearly 30%, the results are useful to inform future service delivery. The response shows around seven out of ten residents (69%) who share communal areas are satisfied that they are kept safe and well-maintained, however, 21% are dissatisfied with their maintenance and 9% are neither satisfied nor dissatisfied. Of those who are dissatisfied, around 15% was due to grounds maintenance (including grass cutting, hedge maintenance etc).

2.2 In terms of future consultation, Secure tenants have a statutory right to be consulted on changes to housing management arrangements that may impact on them, so any change to specification or change of contractor requires appropriate consultation. Raising awareness of the changes and publishing on the Council's website would be appropriate. In relation to leaseholders, statutory consultation will be required prior to the award of any contract that may incur a service charge of more than £100 per annum and of course the Council will undertake this in a timely manner.

2.3 The meeting of the Joint Environment Overview and Scrutiny Committee and Rural and Communities Overview and Scrutiny Committee, will be the opportunity for Members to comment and feedback on the proposals. The outcome of which will be presented to Cabinet on 12 July 2022.

3 Available Options Considered

3.1 The options detailed in paragraph 1.13 form the basis of the options appraisal work the Council has been undertaken. The results of the options appraisal will provide the framework of a final recommendation to Cabinet on the future delivery of the grounds maintenance service.

4 Preferred Option

4.1 This report provides information on the detailed options appraisal work to be undertaken. There are no preferred options at this stage.

5 Reasons for the Recommendations

5.1 Members of Joint Environment Overview and Scrutiny Committee and Rural and Communities Overview and Scrutiny Committee are requested to note the work that the Council is planning to undertake and are invited to provide comment or request that further considerations are taken into account.

5.2 Furthermore, to ensure all available options have been considered, Members are requested to recommend to Cabinet that authority is provided to Officers to engage the market in a competitive process to establish what the market can provide.

6 Next Steps – Communication and Implementation of the Decision

6.1 Should the recommendations within this report be agreed, it is proposed that the following timeline of actions are implemented:

| Task | Date |
|--|-----------------------|
| Recommendation from Joint Scrutiny Committee to be considered by Cabinet | 12 July 2022 |
| Competitive Procurement | During August 2022 |
| Receive tender submissions | Mid-September 2022 |
| Evaluation of tenders | By End September 2022 |
| Member Workshop | Early October 2022 |
| Final decision by Cabinet | October 2022 |
| New specification of service | March 2023 |

- 6.2 A significant amount of work has gone into the development of the new specification and map database on the StatMap system. It is imperative this information is kept up to date and any changes are recorded to ensure the system remains current. For this reason, it is proposed a percentage of the database will be checked and monitored on an annual basis.
- 6.3 The Council currently commissions the services of North Kesteven District Council to undertake surveys on the trees on Council land. Surveys are carried out annually, a third of the district at a time, so each tree is surveyed every three years. Any resulting maintenance works or works which may be required in an emergency, are carried out by private contractors who are engaged directly by South Kesteven District Council.
- 6.4 Work will continue to assess the benefits of this arrangement or whether there is merit in bringing the grounds maintenance and tree work into one service. A tree services specification is currently in development to form the basis of this work and to appraise the options available.

7 Financial Implications

- 7.1 The cost to the Council for its grounds maintenance services is significant and currently over £1m for the current financial year. When EnvironmentSK Limited was established, there was an ambition for the company to secure additional private work. However, the business plan is now more focussed on delivering the Council's core contract and external works only accounts for 9% of the overall turnover. If this change of focus remains, then it is appropriate for the Council to review the operating model and consider whether the continuation of the status quo is affordable or appropriate. Engagement with the external market will enable the Council to consider whether external service provision should be introduced or alternatively bringing the service in-house would bring additional savings through an integration into the Council's staffing structure. This financial modelling is now underway and will be presented alongside the outcome of the other options set out in the report. This will then enable a final decision to be made on the service delivery model.
- 7.2 The route to market via the ESPO framework is a compliant procurement exercise and will identify what the market can provide in terms of efficiencies and costs.

Financial Implications reviewed by: Richard Wyles, Chief Finance Officer

8 Legal and Governance Implications

- 8.1 It is appropriate for the Council to consider how best to deliver its grounds maintenance service. The options appraisal approach will provide an informed basis to make further recommendations.
- 8.2 The ESPO framework is an eligible procurement route to enable a competitive process and to assess the benefits of a commercial contract.

Legal Implications reviewed by: Graham Watts, Assistant Director of Governance and Deputy Monitoring Officer

9 Equality and Safeguarding Implications

- 9.1 TUPE (Transfer of Undertakings – Protection of Employment) regulations will protect and maintain the employment rights and terms & conditions of staff transferred as a result of any new contract award or management arrangement.

9.2 No other significant issues have been identified at this stage, but equality and safeguarding implications will be fully considered as part of the further options appraisal work before any final recommendations are made.

10 Risk and Mitigation

10.1 Some initial risks have been identified in the table below. As part of the options appraisal further risks may be identified and will be fully considered together with any mitigating actions required.

| Risk | Consideration |
|---|---|
| EnvironmentSK Ltd staffing and management | Appropriate levels of staffing will need to be maintained whilst the options appraisal work is ongoing. |
| Financial | The options set out in the report will identify the financial implications of each of the options which will need to be considered in readiness for 2023/24 financial year |
| External provider | Should a new contract arrangement be secured with an external provider this would be a new relationship for the Council. The results of the mini-competition will need to provide assurance on service quality levels, working practices and the responsiveness of the commercial operators who respond |

11 Community Safety Implications

11.1 No significant issues have been identified.

12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

12.1 There are opportunities to consider how the Council's declared climate emergency and carbon reduction targets could be incorporated into future provision of the grounds maintenance service. Included in the specification as a minimum will be:

- Route scheduling - to reduce fleet, fuel use, carbon emissions and fleet costs by planning more efficient routes, reducing delays and unnecessary idling, monitoring routes, addressing non-compliance and strategic changes.
- Green Waste Disposal – to divert garden waste from landfill and increasing the amount recycled i.e. composted.
- Aligning services – to take action, collectively and individually to tackle climate change.
- Work efficiencies – ensuring resources are used more efficiently by waste reduction, re-use and recycling.

13 Other Implications (where significant)

13.1 None arising from this report.

14 Background Papers

- 14.1 *HRA Grounds Maintenance and Assisted Garden Scheme* - Report to Rural and Communities Overview and Scrutiny Committee, published 28 April 2022, available online at:

<https://moderngov.southkesteven.gov.uk/documents/s34081/Tenant%20Grounds%20Maintenance%20280422.pdf>

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