

REPORT TO: STRATEGY & RESOURCES

Date: 7th December 2020

TOPIC: GROUNDS MAINTENANCE SERVICE

REPORT BY: CONTRACTS DELIVERY MANAGER

1 INTRODUCTION

- 1.1 North Devon Councils (NDC's) Grounds Maintenance Contract ends on March 31st 2021. The contract allows for an extension of two years at the end of the initial contract term and NDC had agreed to an extension with the incumbent contractor.
- 1.2 In July 2020, the incumbent Contractor (Tivoli Group LTD) informed NDC that it could no longer agree to a contract extension and would not be signing an extension agreement as previously agreed.
- 1.3 There is now insufficient time to prepare and tender the grounds maintenance contract before the current contract end date. This report therefore seeks approval to bring the service in house and ensure the service continues on 1st April 2021.

2 RECOMMENDATIONS

- 2.1 It is recommended that subject to Senior Management Team approval of an appropriate business case, the Grounds Maintenance Contract is brought in house ready for service delivery on 1st April 2021.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure continuity of the grounds maintenance service.

4 REPORT

- 4.1 NDC's Grounds Maintenance (GM) contract ends on 31st March 2021. The contract contains an extension clause allowing a two-year extension beyond the contract end date. An extension can be agreed mutually between the incumbent contractor (Tivoli Group Limited) and NDC.
- 4.2 Tivoli initially agreed to a contract extension with NDC and its other GM partners (Torridge District Council and North Devon Homes) with Barnstaple Town Council choosing not to extend. On 28th February 2020 NDC officers agreed

formally, using delegated powers, to extend the contract by two years until March 31st 2023. Tivoli had been keen to extend the contract but did not return a signed copy of the extension agreement (sent in March 2020). On 2nd July 2020, Tivoli contacted the council to say it was no longer intending to extend the contract.

- 4.3 There is now insufficient time to prepare and tender a revised contract specification, which would allow NDC to test the market and consider awarding a new GM contractor against in house delivery of the service.
- 4.4 NDC officers did initially look at options to run a new, in house operation in partnership with North Devon Homes and Torridge District Council, but the complexities of splitting the service three ways proved to be complicated and time consuming and instead officers decided to concentrate on their own respective areas.
- 4.5 Running the contract in house will bring certain benefits such as greater control of the service and increased flexibility. For example, officers can manage grass cutting more effectively, cutting when it's needed, rather than being tied rigidly to a certain number of annual cuts, as is the case with the existing contract. There is also scope to align grounds maintenance more closely to NDC's corporate objectives, particularly "cherishing and protecting the environment." The Parks team aim to increase biodiversity and reduce the council's carbon footprint through methods such as increasing meadow cut areas, increased tree planting, trialling alternative powered tools and vehicles.
- 4.6 In line with another corporate objective (achieving financial security,) there may be scope to deliver grounds maintenance services on behalf of other agencies in the future and generate an income. Officers are aware of opportunities, but must firstly concentrate on transferring the service in house and understand the associated costs of the transfer before exploring this further.

5 RESOURCE IMPLICATIONS

- 5.1 The intention is to deliver the service in house within the constraints of the existing Parks, base budget. There will however, need to be a reorganisation of the budget to reflect greater expenditure in certain areas and reduced expenditure in others. The workforce will increase, with 10 full time staff transferring to NDC from Tivoli under TUPE plus seasonal staff in the summer. There will be a need to purchase or lease grounds maintenance vehicles, and a need to purchase and or lease tools and equipment. There will also be some initial capital works required at Brynsworthy Environment Centre (BEC) to house the tools and equipment.
- 5.2 There is a saving on this year's contract payments of approx. £60-£80,000 due to Tivoli being unable to fulfil all of its contractual duties this year. This saving can be used to cover some initial set up costs, such as the capital works at BEC and purchase or lease of vehicles.
- 5.3 When the service transfers there will be additional staffing costs from the posts that transfer over to NDC. This figure will be confirmed when the new posts

have been through the NDC job evaluation process and it will assume that all TUPE'd staff will agree to NDC terms and conditions. Transferred staff will also have the option to initially stay on their existing terms & conditions. The financial implication of this will be included within the business case subject to approval.

- 5.4 The grounds maintenance service will require seven vehicles (various van models similar to transit tippers,) two trailers and two ride on mowers. The vans and mowers have been included in the schedules for the new Waste & Recycling Fleet Vehicles with the long-term ambition being for them to be supplied as part of the new Corporate Fleet when a contractor is appointed. The Corporate Fleet supplier will not be in place until October 2021, so there is a gap of 7 months to fill with leased vehicles between the start of in house grounds maintenance delivery on 1st April and appointment of fleet contractor in October. Estimated costs for the lease of grounds maintenance vehicles for 6 months (based on prices obtained through the TPPL procurement framework) is approx. £25,000. Short term leasing is probably the most expensive way of accessing vehicles, so alternative options are being considered to bridge the 7-month gap, including the potential purchase of a number of second hand fleet vehicles.
- 5.5 The cost of purchasing second hand equipment (including the ride on and pedestrian mowers) from Tivoli is estimated to be £25k, but this is subject to agreement with Tivoli. Alternative, purchasing and lease options are also, currently being pursued with quotes requested.
- 5.6 Parks officers are working with internal colleagues from Waste & Recycling and Property Services to convert one end of the sorting sheds at BEC to enable it to be used as a storage and maintenance area for tools and equipment. Costs for this shed conversion will be confirmed when quotes are received. The works will include installation of a mezzanine floor, partition wall, a new fire exit and additional power sockets.
- 5.7 At present, the total, annual Parks budget is just over £540,000. This covers all current contract payments to Tivoli and specialist sub-contractors (such as tree surgeons) as well as NDC parks officer salaries. Adjustments will now be made to this budget to reflect the fact we will no longer have main contractor costs, but will instead have our own costs against vehicles, equipment and increased salaries. A business case showing these budget movements and any adjustments to demonstrate that the new service will be within the existing approved base budget level will be prepared and presented to Senior Management Team prior to the contract end on March 31st 2021
- 5.8 Grounds Maintenance vehicles can be parked overnight at BEC in the existing car park with little anticipated impact on staff. The vehicles will leave site before 8.00 am each day and return to BEC at approximately 4pm.

6 EQUALITIES ASSESSMENT

- 6.1 No impact anticipated.

7 CONSTITUTIONAL CONTEXT

Article or Appendix and paragraph	Referred or delegated power?
Part 3 Annexe 1, Paragraph 1(d)	

8 STATEMENT OF CONFIDENTIALITY

8.1 This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

9 BACKGROUND PAPERS

9.1 The following background papers were used in the preparation of this report:

- None

10 STATEMENT OF INTERNAL ADVICE

10.1 The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

Author: Mark Kentell
Reference: Document5

Date: 17/11/20