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Dear All

COMMUNITIES AND ECONOMIC DEVELOPMENT CABINET ADVISORY BOARD - WEDNESDAY 8 MARCH 2023

I enclose, for consideration at the next meeting of the Communities and Economic Development Cabinet Advisory Board on Wednesday 8 March 2023, the following items that were unavailable when the agenda was published.

Agenda No	Item
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12	Grounds Maintenance Contract Extension (Pages 2 - 9)
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Kind regards,

Emer Moran
Democratic Services

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Grounds Maintenance Contract

For Cabinet on 23 March 2023

Summary

Lead Member: Councillor Wendy Fitzsimmons

Lead Director: Paul Taylor

Head of Service: Gary Stevenson

Report Author: Gary Stevenson

Classification: Public document (non-exempt)

Wards Affected: [All]

Approval Timetable	Date
Cabinet Member	1 February 2023
Communities and ED Cabinet Advisory Board	8 March 2023
Cabinet	23 March 2023

Recommendations

Officer recommendations as supported by the Cabinet Member:

1. That the Cabinet give the Head of Housing, Health and Environment delegated authority to enter into a contract extension with Tivoli Group Ltd to end 31 December 2026 in consultation with the Council's Monitoring Officer and Section 151 Officer.
2. That Cabinet give delegated authority to the Council's Monitoring Officer and S151 Officer to undertake all legal and financial requirements necessary to complete the extension of the Grounds Maintenance Contract.

1. Introduction and Background

- 1.1 This report seeks authority to take advantage of the opportunity to extend the existing current grounds maintenance contract to 31 December 2026.
- 1.2 The grounds maintenance services for the Council's parks, open spaces, sports grounds, recreation areas and cemetery and crematorium grounds are carried out under the terms of a Grounds Maintenance (GM) contract.
- 1.3 The GM contract was awarded to Sodexo in 2010 and was due to end on 31 December 2021. Sodexo sold their horticultural division to Tivoli Group Ltd and in March 2021 Cabinet decided that the GM contract could be novated to Tivoli and that the contract would be extended to 31 December 2022.
- 1.4 A review was carried out of the Council's options for delivering the service from 1 January 2023. This review included the engagement of specialist GM consultants through Waste Consulting LLP (WCL) to assess cost impacts of the specification, the current GM market, improving sustainability and outline options for service delivery.
- 1.5 Consideration was given to establishing if there were additional sports clubs or other interested organisations that would be interested in managing and operating their own facilities. There are some existing arrangements in place where clubs maintain outdoor facilities on Council land. Currently Tunbridge Wells Football Club lease the Culverden Stadium, TW Croquet Club lease land at Calverley Grounds and Tunbridge Wells Tennis Club lease land at the Nevill Ground.
- 1.6 The current contract with Tivoli includes the majority of the service specification. Around 10% of the service specification by value is undertaken by smaller local contractors. These works include arboriculture and some playground and other infrastructure maintenance.
- 1.7 At its meeting on 13 January 2022, having considered the WCL report and the options set out, Cabinet agreed to extend the contract to 31 December 2024 and to identify further environmental enhancements for the service.
- 1.8 Since then, a review of the specification has been carried out in conjunction with Tivoli to identify opportunities for alterations and enhancements. However, against a backdrop of rising input costs and the then predicted double digit contract indexation for December 2022, (subsequently 13.44%), it became clear that the cost operating the existing specification on the basis of the approved two year extension at circa £1.5M was significantly in excess of the current annual sum of £1,095M and the funding allocated in the Medium Term Financial

Strategy. Officers were given direction to engage in further negotiations with Tivoli to identify opportunities to limit the increase in the annual contract sum.

1.9 Working together, the Parks Team and Tivoli colleagues identified a number of opportunities to alter the nature of the operations and minor amendments to the specification that will reduce the level of the increase in contract costs. The proposals will also reduce the carbon emissions generated by the operation of the service and increase opportunities for bio diversity.

1.10 The proposed changes include:

- Introduction of battery operated hand held tools (particularly in the cemetery)
- The use of electric all terrain vehicles (one is operating in Calverley Grounds)
- Converting areas planted as seasonal bedding to permanent herbaceous planting using plants that are drought tolerant and pollinator friendly.
- Converting areas of general grass to meadow
- Introduction of pesticide and herbicide usage policy
- Reduction in out of hours cover but continue to provide for cleaning and sports pitch bookings
- Reduction (and potentially complete removal) in the number of dog poo bag dispensers in the parks
- Removing Tivoli's responsibility for replacing cricket sight screens, roll on covers and protective sheeting at The Nevill. (The sight screens were last replaced in 2022 and the equipment is expected last through to the end of the contract extension)

1.11 Tivoli are also proposing investment in equipment, staff terms and conditions, learning and development and an online contract management system that will enable them to improve staff engagement and productivity and reduce vacancy levels. The staff establishment will be 25 staff (22 full time, 3 seasonal and 2 management) a reduction of 6 seasonal workers. Quarterly planning will take place to ensure that the resource is deployed to maximise its impact.

1.12 During the discussions it became clear that a further reduction in the level of contract cost increase could be achieved by considering an extension to December 2025 or December 2026, as allowed for in the existing contract. Details of the cost differentials are set out in the table below:

Projected contract sum 2023, with 13.44% indexation	£1,242M
Proposed annual contract sum for 2023 under:	
a) 2 year extension	£1,483M
b) 3 year extension	£1,320M
c) 4 year extension	£1,320M

2 Options Considered

- 2.1 The following options for extending the current grounds maintenance contract have been considered. The key implication of each option is the difference in the initial 2023 contract sum.

Option 1 – Extend the contract to December 2026.
Initial contract sum from 1 April 2023 £1,320M.

Option 2 – Extend the contract to December 2025.
Initial contract sum from 1 April 2023 £1,320M

Option 3 – Extend the contract to December 2024
Initial contract sum £1,482M

3 Preferred Option and Reason

- 3.1 The preferred option is option 1, extending the contract to December 2026. The difference between option 1 and 2 is the timing of the start of the next period of service provision. Extending to 2026 provides a longer period of price certainty, inflation excepted. It also coincides with the re-procurement of the other major contracts for sports centre management and recycling and waste collection and street cleansing which may provide opportunities. It will also give the council long term visibility on the costs of these major service areas from 2027/28.

4 Consultation on Options

- 4.1 The principle of extending the contract has already been approved by Cabinet. No further specific consultation on options 1 or 2 has been undertaken. Ongoing consultation will take place with the various Friends Groups and sports clubs to inform the quarterly work plans.
- 4.2 The grounds maintenance service has been the subject of an All Member briefing on 3 March 2023.

5 Recommendation from Cabinet Advisory Board

- 5.1 The Communities and Economic Development Cabinet Advisory Board were consulted on 8 March and agreed the following:

Insert text from Cabinet Advisory Board minute, or request text from Democratic Services Officer.

6 Implementation

- 6.1 The contract extension will be put in place via a Deed of Variation. The Parks Team will work closely with Tivoli to review and agree quarterly programmes of work, consulting with Friends Groups and sports clubs.

Background Papers:

- CAB120/21 Grounds Maintenance Service
<https://democracy.tunbridgewells.gov.uk/ieListDocuments.aspx?CId=118&MId=5117&Ver=4>

7 Cross Cutting Issues

A. Legal (including the Human Rights Act)

TWBC entered into the Grounds Maintenance Contract (the Contract) with Sodexo Limited on 10 August 2015 which was novated to the Contractor on 1 April 2021 and subsequently amended by a Deed of Variation on 1 April 2022 to extend the term of the Contract to 31 December 2022. The Parties have the right, under the Contract, to extend the Contract by up to another 4 years.

Lucinda MacKenzie-Ingle Team Leader - Contracts & Commissioning (Solicitor) 2 March 2023

B. Finance and Other Resources

As set out in the report to Full Council, the budget for 2023/24 has been increased by £204,000 to cover the cost of indexation and the possibility of extending the contract to 31 December 2026.

Jane Fineman Head of Finance, Procurement & Parking 2 March 2023

C. Staffing

The proposal to extend the contract to December 2026 does not have any implications on the Council's staffing levels or structures.

[Name, title and date of HR officer who signed off the report]

D. Risk Management

The management of contracts and contractors is identified as risk scenario 3 in the Strategic Risk Register. The proposals in this report will act as mitigating actions towards a range of the vulnerabilities and contributing factors identified

Gary Stevenson Head of Housing, Health and Environment 24 February 2023

E. Environment and Sustainability

The Council's Corporate Carbon Descent Plan and the Laser report identify the grounds maintenance contract as contributing around 2% to the overall carbon emissions of the

Council, based on the 2021/22 data. Whilst this is a small percentage, given the importance of aiming to reduce as much of the Council's emission as possible it is critical to review and implement reductions in as many areas as possible.

The proposals to reduce the amount of mowing and to introduce battery operated handheld tools will contribute to the carbon reduce emissions that are captured as part of the measurement of Scope 1, 2 and 3 emissions. The change from annual bedding to herbaceous planting will also have positive benefits, assisting in reducing water consumption and the carbon emissions associated with growing and transportation, although these are outside of Scope 1,2 and 3.

Gary Stevenson Head of Housing, Health and Environment 24 February 2023

F. Community Safety

The proposal to extend the existing contract will not impact directly on community safety issues. However, the proposal to reduce the out of hours and weekend staffing cover will be closely monitored.

Gary Stevenson Head of Housing, Health and Environment 24 February 2023

G. Equalities

The proposal to extend the existing contract will not impact on equalities obligations.

Gary Stevenson Head of Housing, Health and Environment 24 February 2023

H. Data Protection

The proposal to extend the existing contract will not impact on the existing data protection obligations and arrangements.

Gary Stevenson Head of Housing, Health and Environment 24 February 2023

I. Health and Safety

The TWBC Parks team have competent contract monitoring officers who ensure that the contractor is working to legal requirements and do not put persons, or the council at risk through its operations. Potentially the more interaction that TWBC may wish to take in the day-to-day operations if the grounds maintenance operation the more legally and financially liable they may be in the event of any incidents that may occur.

Mike Catling, Corporate Health & Safety Advisor 3 March 2023

J. Health and Wellbeing

The proposal to extend the existing contract will ensure that the council's parks, recreation grounds and sports facilities will remain available for use, supporting healthier lifestyle opportunities and general health and wellbeing.

Gary Stevenson Head of Housing, Health and Environment 24 February 2023