

Title:	Grounds Maintenance Contract / Joint Working
Portfolio Holder:	Cllr Brown – Environmental Services
Reporting Officer:	Kevin Gibbs
Key Decision:	Yes

Purpose

The purpose of this report is to provide Cabinet with information about the current grounds maintenance contract with English Landscapes. The report will also outline plans for the grounds maintenance and street cleansing service that will be based around working in partnership with West Wiltshire Housing Society and Wiltshire County Council.

Background

Grounds maintenance is roughly divided into three operational areas, North, South and Central. The North and South areas are currently in-house functions and the Central area is contracted to English Landscapes.

In 2004 the District Council wished to market test grounds and cleansing services but due to inaccurate records, detailing the scope of the work, this was not possible. Work is currently underway to improve these records.

West Wiltshire Housing Society also has a grounds maintenance contract with English Landscapes. Both contracts expire at the end of this calendar year.

The Wiltshire Customer First Partnership has been successful in a bid to the South West Regional Centre for Excellence for £120,000. The resulting project will, amongst other things, explore options for countywide joint procurement of grounds maintenance and cleansing services to reduce costs and improve service and customer satisfaction.

Short Term Considerations

The English Landscapes contracts with the District Council and the Housing Society both expire before the end of the 2005 calendar year. There are a number of options open to both organisations these being:

- To extend the current contract
- To go to market now
- To do the work in-house

Extending the Current Contract

Discussions have already taken place with English Landscapes about an extension of their contract with the District Council and costs for a number of extension options have been submitted by English Landscapes. The figures below represent additional annual costs. Figures in brackets represent savings.

Option 1	Extend the contract until 31 st October 2006	£18,043
Option 2	Extend the contract until 31 st January 2007	£63,586
Option 3	Extend the contract until 31 st October 2007	£18,043

Options 1,2 & 3 are based on the contractor having to purchase new equipment. This is reflected in the annual revenue cost that would be charged to the council.

Option 4	Extend the contract until 31 st October 2006	£(6,981)
Option 5	Extend the contract until 31 st January 2007	£39,602
Option 6	Extend the contract until 31 st October 2007	£(8,377)

Options 4,5 & 6 are based on the council purchasing the new equipment and effectively allowing the contractor to use it, hence reducing the annual revenue cost to the council. The capital cost is £65,400.

Options 2 & 5 are the most expensive revenue options because the contract would run over two winter periods. Due to the seasonal nature of this type of work, contractors tend to make a loss over the winter, which is mitigated in the summer.

The most cost-effective revenue option is Option 6, a contract extension to the end of October 2007 where the council purchases the new equipment.

Going to Market

If we were to go to market for the central area only it would effectively rule out other options for the service as a whole for between three and five years, which is a reasonable contract period.

Going to market at this point for the whole of the service is also not a sensible option due to the inadequate records detailing the scope of the work. A new officer has been appointed to complete the documentation process, which will facilitate market testing and/or outsourcing. It is likely that this work will take up to 12 months to complete.

Do the Work In-House

Taking on the Central Area work in-house would require significant investment in new equipment and personnel. There is also insufficient management capability to

effectively implement the required change and manage a bigger operation. It would also hamper opportunities for longer term partnership working.

Partnership Working

A significant amount of open space in the district borders land managed by the Housing Society. Equally there are packets of land maintained by the County Council which are adjacent to land that the District Council and / or the Housing Society maintains. From a customer perspective having a number of different organisations cutting what is ostensibly the same piece of land at different times and to different standards is highly inefficient.

Clearly there is scope to deliver a better service and perhaps a cheaper service by working together with the Housing Society and the County Council.

Because both the District Council and the Housing Society have similar contract expiry issues with English Landscapes, discussions have already taken place exploring the opportunity of a partnership and joint contracts. The scope of the contract would include street cleaning as well as grounds maintenance to achieve even greater benefits.

A joint contract would need to start during the autumn / winter to allow the contractor an establishment period prior to the growing season. This constrains any contract start date to the autumn / winter of either 2006 or 2007.

The Housing Society believes this is achievable for them by autumn / winter 2007. Advice given by consultants, 4Ps, also points to an 18-24 month process. The advice was based on the need to have a clear definition of the scope of the works, which neither the District Council or the Housing Society presently has, and the general procurement process that would require a European Journal advertisement and all that entails.

The detailed scope of the Wiltshire Customer First Partnership project is currently being developed with the input of all the District Councils in the Wiltshire area. This project is likely to provide further opportunities for joint working with the County Council and the other District Councils, as well as the Housing Society where preliminary work has already taken place. Integrating our work with this project will be beneficial, and is easier to achieve if we aim for winter 07 as the start date of a new contract.

Short Term Financial Implications

Andrew Brown (Finance) has looked at the contract extension options in detail. The most cost-effective option is to extend until October 2007. Within this option are two sub-options. Firstly a revenue only option and second an option for the council to purchase equipment which reduces the revenue costs.

Longer Term Financial Implications

It is too early to predict what the impact of partnership working will be on costs. There are undoubtedly benefits, which can be realised through joint contracts and these will become clearer as work progresses on this initiative.

Legal Implications

The existing contract with English landscapes will need to be extended.

Human Rights

The Human Rights implications of the actions recommended in this report have been considered.

Recommendations

It is recommended that Cabinet agree a two-year extension of the English Landscapes contract for grounds maintenance in the central area, with the Council buying the machinery – as set out in Option 6.

It is also recommended that Cabinet supports the partnership approach to procuring joint contracts for grounds maintenance and street cleansing with the aim of entering into a new contract arrangement in the autumn / winter 2007.

Key Decisions

Statement of reason for key decision	This is a key decision because of the significant sums of money involved. The decision also affects the future direction of Commercial Services
Options considered and rejected	Options 1 – 5 have been considered and rejected because they don't offer the best value
Date of implementation	Contract extension needs to be implemented before the end of October 2005

Authors

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Background Papers

Wiltshire Customers First Partnership Project Initiation Document – Street scene urban grounds maintenance procurement and process re-engineering.