

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF OVERVIEW SELECT COMMITTEE ON 29th JANUARY 2019

PART A : INFORMATION PAPER

SUBJECT: Greenspace Management Contract update

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PORTFOLIO AREA: Neighbourhood Services

EXECUTIVE SUMMARY: This report provides members of the Overview Select Committee an update on the Council's current Greenspace Management Contract

RECOMMENDATIONS:

1. To note the information concerning the Council's Greenspace Management Contract contained within this report

1.0 Background

1.1 Following a competitive tender process, Arun District Council awarded its ten year Greenspace Management Contract (GMC) to ISS Facility Services Landscaping (ISS FSL). The contract commenced on the 1st January 2017.

1.2 This report covers all relevant contract related matters to date, including a review of performance and delivery of capital projects. Also included within the report is information concerning the novation of the contract to a new provider - Tivoli Group Ltd (TGL) whose holding company Amistha Holdings Limited purchased the trade and assets of ISS Facility Services Landscaping in the summer 2018.

2.0 Contract scope

2.1 The GMC covers the following services/operations

- Grounds maintenance operations of Arun's Parks & Open Spaces (including Housing land. Operations include but are not limited to; grass cutting, litter picking, hedge cutting, shrub maintenance, cemeteries maintenance and grave digging. This equates to approximately 2.5 million square metres of open space.
- The management & marketing of the Council's Outdoor Recreation Service, which includes bookings for and use of sport facilities e.g. football pitches, bowling greens, tennis courts, par 3 golf, adventure golf. These services are accessed by approximately 80,000 customers annually. These services are currently delivered under the 'Lifestyle' brand.
- Play area repairs & maintenance plus inspections of 80 play areas.

- Operating Cafes at Norfolk Gardens and West Park.

2.2 The contract was awarded for a period of 10 years, with an optional extension of up to 5 years. The annual value of the contract is approximately £1.25 million. The retender delivered a saving to the Council of approximately £250k per annum on the previous contract, therefore contributing to the Council's Medium Term Financial Strategy.

2.3 ISS FSL bid was successful largely due to;

- Strong and consistent responses in relation to key evaluation criteria around operational methodology, Health & Safety compliance and staff training & development.
- Strong proposals for investment in key outdoor recreation assets.
- Added value proposals i.e. grant support for volunteers, income share guarantees for the 'Lifestyle' service.

3.0 Contract management

3.1 The Council proactively manages the performance of the GMC as follows;

- Regular site monitoring of performance against contract standards.
- Regular site visits with contract supervisors to plan and review works.
- Checks of operational compliance i.e. risk assessment, PPE with operatives on the ground.
- Utilising contractual clauses around remedial notices and defaults where performance necessitates it.
- Weekly operational meetings between the Environmental Services & Strategy Manager/Parks & Cemeteries Manager and Tivoli Contract Manager. These meetings cover staffing updates, operational updates, Health & Safety updates, machinery updates and contract administration.
- Quarterly operational meetings between all Greenspace staff and contract supervisors/managers, including review of participation figures/income from Lifestyle.
- 6 monthly meetings between senior Arun managers & contractor regional management.
- Attendance as required at the Arun Tenants and Leaseholders meeting to discuss contractual performance.
- An annual Health & Safety compliance review of all contract operations.

3.2 Many key staff, from both the client and contractor, have been involved with this contract for a considerable period of time. Therefore experience of the district and an understanding of the each-others respective aims have developed. Almost all of the thirty plus operatives on the contract plus all of the local Tivoli management team reside in the district, which promotes pride of place in delivery of the contract.

4.0 Performance

4.1 For the purpose of the contract and targets set within the Greenspace Service's Service Delivery Plan (SDP), the contractor must achieve a prescribed level of performance in delivering operations. Monitoring of this performance is formally

undertaken on a quarterly basis and consists of officers from the Council's Parks team 'mystery shopping' a selection of open spaces across the contract in terms of geographical area and typology.

Performance is assessed against the range of contractual operations applicable to each site - such as grass cutting, litter collection and shrub maintenance. This is used to determine individual site and overall contractual levels of performance. Each operation is scored on a scale of 1 to 5 (1 being very poor and 5 exceeding target).

The contractual performance target is 61% as a minimum. Performance to date is as follows;

Table 1.

Year 1 (from April 17 to March 18)	Score
Quarter 1	62.22%
Quarter 2	62.86%
Quarter 3	89.47%
Quarter 4	77.78%
Overall year 1	73.08%

Year 2 (April 18 to March 19)	Score
Quarter 1	68.24%
Quarter 2	70.67%

4.2 Whilst the scores in the above table are in excess of the contractual performance requirements, the Council's aim is to ensure greater consistency of performance and continuous improvement in service delivery. Therefore the Council's aim is that these scores continue to steadily improve throughout the duration of the contract.

4.3 The spring of 2017 was challenging due to new mobile teams operating revised geographical areas. Early difficulties were soon overcome. The spring of 2018 was particularly challenging in respect of grass cutting. A wet and cold winter/spring was followed by unseasonably warm weather from the start of May. The contract struggled to meet demand for grass cutting across a number of, but not all sites. The Council and its contractor reviewed this situation and as a result an action plan was implemented to provide additional resilience and flexibility for future demanding periods.

4.4 The play area repairs and maintenance element of the contract continues to run efficiently, with a three man team undertaking repairs and maintenance based on works and priorities identified from weekly play area inspections. All staff involved in this area have been fully trained in play area inspection and maintenance.

4.5 Tivoli plan to invest in handheld devices for all operatives from 2019. This will ensure tighter monitoring of work schedules and completed work, with the aim of more efficient and targeted working.

5.0 Achievements

5.1 Green Flag Awards

In 2018 the Council was awarded its 4th Green Flag Award for the Norfolk Gardens sports site in Littlehampton. This site joins Hotham Park, Mewsbrook Park and Marine Park Gardens in achieving this coveted award, which recognises best practice in green space management. Successful partnership with the GMC contractor and delivery of excellent standards of horticulture are seen as key to this achievement.

5.2 Delivery of investment & bid commitments

ISS FSL tender commitment included investing in a number of key assets within the Outdoor Recreation Service portfolio. In early 2018 ISS FSL completed delivery of the new 'Wildforest Falls' Adventure Golf Facility in Hotham Park. This was a £400,000 plus investment to further enhance the leisure offer in Bognor's flagship park.

A further £80,000 was invested in the 'Buccaneer Bay' Adventure Golf Course at Norfolk Gardens. This was officially opened during Easter 2017. Improvements have also been made to the Par 3 golf course at Norfolk Gardens.

Further investment projects are planned from 2019.

TGL will advise the Council of their intention on whether to invest in and continue to operate café's, following completion of the novation agreement (detailed in 6.0 below). If these opportunities do not form part of TGL's business plan or the Council is not satisfied with proposals, then Property & Estates will tender these opportunities on the open market, as the contract provides for this eventuality.

Partnership branding of vehicles and 'Lifestyle' operations using the TGL logo and Council logo will take place shortly along with a review of other commitments delayed by the novation.

6.0 Transfer of services to Tivoli Group Ltd

6.1 Background

ISS FSL wrote to the Council in early 2018, advising that the trade and assets of its landscaping division were being sold. On 31 May 2018, ISS FSL sold the trade and assets of its UK Landscaping division to TGL. TGL was incorporated in December 2017 as a subsidiary of its ultimate holding company, Amistha Holdings Limited, with the vision of being the UK's leading Grounds Maintenance provider.

6.2 Due diligence

On receiving notification of the proposed sale, the Council undertook due diligence in order to mitigate any risks to the Council associated with the proposal.

This involved specialist legal and procurement advice concerning the contractual implications to the Council and legal implications of compliance with the UK Public

Contracts Regulations 2015.

It is important to note that the existing contract, including tender commitments, contractual terms & conditions and existing staff structure, remain unchanged under the novation agreement, thus ensuring compliance with Public Contracts Regulations and as importantly delivering operational continuity for the Council.

A report went to Cabinet on the 14th January 2019 to approve the novation.

2. PROPOSAL(S): None

3. OPTIONS: N/A

4. CONSULTATION: N/A

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial		✓
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓
6. IMPLICATIONS: N/A		

7. REASON FOR THE DECISION: N/A

8. BACKGROUND PAPERS:

1. Contract Award report;



Cabinet Minutes 27th
June 2016.pdf