

MAYOR AND CABINET		
Report Title	THE PROVISION OF GROUNDS MAINTENANCE SERVICES ON LEWISHAM HOMES ESTATES	
Key decision	No	Item No.
Ward	All	
Contributors	Executive Director of Customer Services Executive Director of Resources and Regeneration Head of Law	
Class	Part 1	Date: 14 January 2015

1. Executive Summary

1.1 This report seeks approval for Lewisham Homes to undertake consultation with residents to ascertain their preference for the future delivery of the Grounds Maintenance service on estates. The consultation will seek the views of residents on two options:

1. Whether to outsource the provision of this service or
2. Bring the service in-house under directly employed staff

1.2 To bring back a final report to Mayor and Cabinet in 2015 setting out the results of the consultation along with detailed options and a proposal for the future delivery.

2. Recommendations

It is recommended that the Mayor

2.1 approves, in principle, Lewisham Homes to take over the management of the estates element of the grounds maintenance service either in partnership with an external contractor or deliver it internally through their Direct Labour Organisation (DLO).

2.2 approves the consultation proposals as outlined in paragraph 5 of this report.

3. Policy Context

3.1 Addressing issues relating to the delivery of the Grounds Maintenance service on estates relates directly to the Council's Sustainable Communities Strategy (clean, green and liveable) and to the Council's corporate priorities (Decent Homes for all).

4. Background

- 4.1 The current grounds maintenance service is provided through the Council's Green Space Management and Maintenance Contract. This contract covers the borough's parks and open spaces as well as green spaces on housing estates.
- 4.2 The contract commenced in 2010 and is a 10 year contract. The terms of the contract allow for the removal of the housing element of the contract without financial penalties.
- 4.3 The current contract specification is primarily built around the provision of services for open spaces and, as such, is not tailored to the specific, more responsive, requirements of estate management and maintenance.
- 4.4 Should approval be given for Lewisham Homes to take on the management of this service, it would enable the organisation to have greater control and influence over the services that are delivered direct to residents on estates under their management. Furthermore, Lewisham Homes would be better able to address any issues with the delivery and quality of the service and any complaints that may arise.

5. Proposed consultation

- 5.1 As part of the consultation Lewisham Homes residents would have the opportunity to give their views on the types of grounds maintenance services they would like to receive, to what level and specification, as well as helping to define the service standards. The first part of the engagement process will be to undertake the following and it is proposed to run from January 2015 to March 2015.
 - Set up a project group of residents to oversee the project
 - Involve the Area Panel members in the project group
 - Carry out consultation by area and/or estate
 - Get a clear agreement on what model will be favoured by residents, external provider or in-house provider
 - Discuss what investment needs are required to raise the quality of grounds maintenance on their estate or in their area
 - Use social media as part of the consultation process to feed into the overall results
- 5.2 As part of the consultation, residents will have an opportunity to indicate if they would wish to contribute more in return for a higher level of service than that which is currently provided.
- 5.3 Following the consultation period a report will be presented to Mayor and Cabinet containing clear proposals and a recommendation on the future of the service.

6 Additional information

- 6.1 Council Officers have met with Lewisham Homes and agreed that it is contractually possible to vary out the housing element of the Green Space Contract.
- 6.2 There are two options if the service is transferred to Lewisham Homes: tender the contract via OJEU procurement and let Lewisham Homes client the new contract or bring the service in house and manage through Lewisham Homes' own DLO workforce.
- 6.3 To give an indication of the current cost of the service the budgets are set out below.

	2013/14 Actual	2014/15 Budget
Contract costs paid to Glendale	£479,871.29	£505,000.00
Clienting costs	£91,000.00	£92,000.00
Tree Maintenance	£169,371.75	£158,000.00
Tree Clienting Costs	£90,000.00	£90,000.00
Weed-spraying on estates	£72,956.00	£56,000.00
Other	£13,807.25	£0.00
Total	£917,006.29	£901,000.00

- 6.4 There are 33 Glendale staff that work on the current contract and there will be Transfer of Undertakings (Protection of Employment) (TUPE) considerations for some/all of these staff. Additionally, one member of the Council's clienting team may also transfer over to Lewisham Homes but the implications will be dependant on the preferred route of delivery for the new service.
- 6.5 As part of the transfer it is proposed that Lewisham Homes would also take over responsibility for tree maintenance and the associated budget.
- 6.6 It is also proposed that weed spraying of hard area's will be dealt with as part of any new service delivery arrangement
- 6.7 The full financial and TUPE implications will be considered in full once a preferred option of service delivery has been determined and this detail will form part of the follow up report to Mayor and Cabinet later in the year.

7 Financial Implications

- 7.1 Table 5.2 sets out the total value of grounds maintenance services that are provided on HRA housing estates that are managed by Lewisham Homes.
- 7.2 Lewisham Homes grounds maintenance contract costs represent approximately 15% of the Council's contract with Glendale. The other

services listed in the table 5.2 above are predominantly provided by the Council.

- 7.3 There are no financial implications arising from Lewisham Homes consulting with tenants on the future provision of grounds maintenance services but the impact of any proposal arising from that consultation will need to be considered in detail to assess the impact on the Council's budget.

8 Legal Implications

- 8.1 The Green Space Management and Maintenance Contract with Glendale Ground Maintenance Limited which currently includes the provision by the company of grounds maintenance services (the Service) to the HRA housing estates managed by Lewisham Homes permits variations to omit parts of the Service.
- 8.2 The variation clause in the contract provides that where part of the Service is omitted from or ceases to be provided under the Contract the Authorised Officer shall have regard to any relevant rates and prices (indexed) contained in the Bill of Quantities or, if this is inappropriate the Schedule of Rates or, if this is inappropriate, the Day Rates in order to determine the value of the part of the Service omitted. He shall also have regard any increase or decrease in the costs of the provision of the Service to the Contractor as a direct result of implementing the Variation. If the Contractor does not agree the valuation, it can refer the same to dispute resolution by an Expert.
- 8.3 The Memorandum and Association of Lewisham Homes gives it powers to provide, amongst other things, ground maintenance services. The Management Agreement with Lewisham Homes provides for variations to the Agreement and this service can be transferred to the Company if agreed by Mayor and Cabinet and the Lewisham Home Board through a change to the Delegation Agreement contained in the Agreement. Financial arrangements would also have to be agreed .

9 Equalities Implications

- 9.1 There are no specific equalities implications arising from this report

10 Background Documents and Report Author

- 10.1 There are no background documents to this report.
- 10.2 If you require any further information about this report, please contact Jeff Endean on 020 8314 6213.