

STROUD DISTRICT COUNCIL

OFFICER DECISION REPORT

Report Title	STRATFORD PARK MAINTENANCE			
Purpose of Report	To recommend the transfer of the grounds maintenance contract at Stratford Park to Ubico.			
Decision(s)	A decision has been made to: a. Approve the transfer of the grounds maintenance contract for Stratford Park and Brimscombe Cemetery to Ubico from 01 December 2020. b. Allocate capital funds of £95k to this project as outlined in the report			
Consultation and Feedback	Initial consultation has taken place with IdVerde staff with further feedback to be offered following committee resolution.			
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Options	A competitive tender process could be run. However, this is likely to cost more in the medium term and will lack the ongoing flexibility and resilience highlighted in the report.			
Background Paper				
Appendices				
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes/No	Yes/No

1. INTRODUCTION / BACKGROUND

- 1.1 The award winning Stratford Park is not only home to Stratford Park Leisure Centre and the Museum in the Park, but also to vast parkland spanning an area of some 56 acres (230,000m²). In June 2020 the council will celebrate the 85th anniversary of Stratford Park coming into public ownership.
- 1.2 For the last seven years IdVerde have managed the maintenance contract on behalf of SDC. The contract includes maintenance of all areas outside the boundaries of the museum and leisure centre, including areas of woodland, lake, open space, sensory garden, arboretum, grass, seasonal bedding and outdoor sports turf, whilst also encompassing maintenance and grave digging provision at Brimscombe cemetery.

- 1.3 The IdVerde contract expires on the 30th November 2020, following the successful execution of the two year extension clause in 2018. There is no option in the current seven year contract for a further extension.
- 1.4 For the last twelve months officers have been assessing the most appropriate and beneficial course of action at the end of the contract.
- 1.5 In light of the association SDC has with partners Ubico, discussion and work has been undertaken to assess the benefits of a potential transfer of the contract to Ubico on 1st December 2020.
- 1.6 Ubico already undertake grounds maintenance duties for SDC throughout the district, maintaining numerous amenity and public areas.
- 1.7 Ubico are a local authority owned Teckal Company established in 2011 by Cheltenham Borough Council and Cotswold District Council. Ubico was created in order to deliver a range of complementary and integrated environmental services to its shareholders, with the aim of improving value for money.

2. CONSIDERATIONS

- 2.1 The IdVerde contract costs for the previous four years up to 2018/19 are illustrated in Table 1. These figures take account of contract spend including additional payments for grave digging and other additional contracted works. Due to fluctuating demand, the annual spend does vary, although an annual index linked increase, is applied to the base specification.

Table 1 – IdVerde Contract Costs over Preceding Years

Financial Year	2015/16	2016/17	2017/18	2018/19
Contact Cost	£187,144	£191,533	£189,425	£192,960

- 2.2 The budgeted contract spend for 2019/20 is £196k.
- 2.3 Further SDC financial obligations include sundries such as utilities, responsive maintenance, tree surgery and park improvements. However, as these elements fall outside the general contract specification they are not reflected within this report. Furthermore, it is envisaged that these sundries would be of equal value regardless of the contractor or partner engaged.
- 2.4 Ubico have provided indicative costs to maintain the existing standards. Preference would be to utilise four full time members of staff and one apprentice, and this model would equate to a contract cost in year 1 of £146k.
- 2.5 This figure is directly comparable to the contract costs illustrated above.
- 2.6 Even with an advised 10% contingency figure, the change of the contract to Ubico will provide an annual budget saving of circa. £35k.
- 2.7 Whilst the figures clearly show the revenue benefit associated with transferring the contract to Ubico, there will be associated capital costs to enable mobilisation.

- 2.8 This initially equates to £95k, which will cover the cost of all cutting and plant machinery required to be purchased at this point. Of this, £14k relates to a staff facility upgrade which will be one off contribution with no future capital replacement required. In addition the fleet includes two mowers that will be transferred from the existing multi service contract. These are surplus to requirements. Their anticipated life is predicted at four years, so an additional £60k will have to be built into the future Capital programme for their eventual replacement.
- 2.9 Once procured, all of the assets remain under the ownership of SDC with a replacement programme, planned in line with waste fleet provision, for future years.
- 2.10 On the basis of the figures outlined (including replacement of the mowers p.2.8) capital payback would be expected in year four.
- 2.11 We fully anticipate TUPE arrangements applying and full details of staff remuneration will be applied for, should members agree to the recommendation laid out. The expectation is that the existing remuneration structure would be reflected by Ubico pay scales used in the pricing of these works.
- 2.12 Due to the Teckal arrangements, there would be no legal obligation to procure in the normal manner. Procurement colleagues have confirmed that we are able to direct award.

3. FURTHER POTENTIAL BENEFITS

- 3.1 **Increased operational resilience;** clearly by increasing the number of staff across the grounds maintenance operation, there is more resilience for both emergency and standard operations. Whilst not expected to be utilised frequently, a wider staff base will be better equipped to react and therefore less likely to fail to reach specification standards.
- 3.2 **Re-siting of the wider grounds maintenance operation to Stratford Park;** the depot at Gossington not only houses the Ubico grounds operation, but also the waste collection operation including transfer station facilities. The depot is operating close to capacity, a situation that will be exacerbated in line with housing growth and associated increases to refuse and recycling round structures. Preliminary discussion has already taken place to remedy a lack of space. The re-siting of the grounds maintenance team, in whole or in part, to Stratford Park, would alleviate any short term risks. Whilst there is sufficient space to house a number vehicles in the existing compound, a full operational plan will be required to ascertain the extent of any re-siting. £14k of the total capital requirement of £95k has been earmarked for this integration.
- 3.3 **Increased future flexibility;** Community Services & Licencing and latterly Strategy and Resources Committee, have recommended that a sum of £134k is ring fenced from the culture and leisure reserve to commission a comprehensive review of Stratford Park. This would encompass a report on the offer of leisure, recreation, arts and culture, health and wellbeing and management. The review will take around 18 months to complete and should recommendations be made regarding facets of maintenance, the Ubico agreement caters for change more readily than a commercial contract. On this basis specification changes can also be catered for more easily, allowing reaction to changing working practices more quickly. Even if the report recommends the engagement of a specialist grounds maintenance contractor, this could easily be catered for with Ubico relinquishing

duties without commercial penalties. Whilst the expectation is that Ubico will serve the full term of any agreement, given the circumstances and timing, the flexibility is welcomed.

4. RECOMMENDATION

- 4.1 Officers recommend that the existing contract currently operated by IdVerde is transferred to Ubico at the end of the existing contract term. Officers believe this will provide a robust operating model, beneficial to all stakeholders.
- 4.2 Capital outlay will be required, but the revenue benefits will negate these in the short to medium term.
- 4.3 The standard of maintenance will be reflective of the existing provision.

5. IMPLICATIONS

5.1 Financial Implications

There are financial implications associated with the recommendation of this report. P2.4 sets out an indicative annual revenue cost of £146k. This change in contract will generate a potential saving of £35k per annum. There will be an initial associated capital cost of £95k (p2.8), a further £60k will have to be built into the programme after 4 years. Taking all the costs into consideration payback will be expected in year 4.

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5.2 Legal Implications

There are no significant legal implications arising from recommendation in this report.

- 5.2.1 Regulation 12 of the Public Contracts Regulations 2015 provide an exemption to public procurement when the contract is awarded to a Teckal company as is the case here.

5.2.2 TUPE is not applicable to the Council in relation to the service transfer contemplated in this report, but if the service were to be brought back within the Council at a later date, TUPE would apply to that transfer.

5.2.3 Officers will need to satisfy themselves that title to any plant purchased out of the proposed capital sum remains vested in the Council

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5.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision which would necessitate an equality impact assessment.

5.4 Environmental Implications

There are no significant implications within this category.