

Report to: Communities Scrutiny Committee

Date of Meeting: 12th May 2016

Lead Member / Officer: Lead Member Modernisation & Housing/
Head of Facilities Assets & Housing

Report Author: Lead Officer – Community Housing

Title: Housing Grounds Maintenance Contract Update

1. What is the report about?

This report is to provide an update on progress with the grounds maintenance contract for Housing owned land.

2. What is the reason for making this report?

To update Communities Scrutiny Committee on arrangements to ensure effective on-going maintenance of housing owned land following a change in contractor and a period of significant disruption to the service during the previous year.

3. What are the Recommendations?

To consider the contents of this report and appendices and comment accordingly on the measures taken to manage the contract and mitigate against similar problems arising in future.

4. Report details

Historically the service to maintain housing owned land has been delivered by the Council's own in house services. The decision to develop a detailed contract specification and to subsequently tender for the works in 2014 arose due to the unsuitability of the existing Service Level Agreement to meet the requirements of the service charge regime that we were required to introduce in April 2015.

A review was required to be able to demonstrate value for money due to the requirement to de-pool costs from weekly rents and introduce as a specific cost within service charges. This would give customers far greater transparency around the grounds maintenance service and associated costs.

In spring and summer last year we experienced severe disruption to the service. As a result of the poor timing and delays with the new contract start date in June 2015, the new contractor was given insufficient time to fully plan their programme of work and were required to start the contract following a period of disruption. This resulted in the unsightly appearance of some areas of housing owned land and a significant number of customer complaints to the council and local members.

In addition, a number of omissions and inaccuracies in the mapping of the areas that should be maintained were highlighted when the contract was let externally. Prior to the letting of the contract a full tendering process was agreed and the implications of tendering externally were fully considered. The contract would enable housing to demonstrate value for money for tenants in terms of cost and quality and develop a more comprehensive contract specification.

Tender Process: A thorough tender process was implemented with delegated authority by the then Head of Service with responsibility for Housing and the contract was awarded to Sherratt Ltd based in Mold, Flintshire.

Of the staff working for Sherratt Ltd on the Denbighshire contract, 55% currently live in the county.

The new contract commenced on 1st June 2015 which in hindsight was not the most appropriate time of the year due to this being the height of the grass growing season. This was clearly evident due to the poor appearance of grassed areas and the number of complaints received from customers and local members.

On a positive note Sherratt Ltd were able to deal with the backlog of work fairly quickly and by the end of the season standards had increased significantly and achieved the requirements of the contract.

Due to the need for the contractor to manage this backlog at the commencement of the contract term we have not been able to fully analyse their performance over the course of a full year. From experience over the latter part of the summer and throughout the winter months we are confident that customers will see an improved service delivered by the contractor.

Improved Contract Management & Supervision: Whilst lessons have been learned in preparing a contract tendering process, the benefits of the new contract arrangements are evident. There is now a strong performance management arrangement and a detailed performance schedule of the standards required by the contractor. Also importantly there is a fully transparent work programme that allows the Council to be able to communicate to customers when areas are to be maintained.

The process to review and implement comprehensive mapping has given us the opportunity to identify a number of areas of housing owned land that have either not been identified as within the ownership of housing or have not been consistently maintained in the past and these have now be added to the regular maintenance programme.

This mapping work is on-going and a number of areas have been highlighted by local members and residents. There have been additional costs over and above the tendered amount due to the increase in areas not specified and the need for one off costs for the contractor to address the poor appearance of some areas.

Following a review by the incoming Head of Finance Assets and Housing, responsibility for the management of the contract and performance of the contractor was passed to the Lead Officer for Contracts and Facilities.

This has led to a stronger relationship between Housing and the contractor and the process to award as a contract has meant that significant improvements in working arrangements are now in place to support the delivery of a better service for customers. These improvements are now in place for future contracts regardless of whether the contract continues to be delivered by external contractors or internally by the Council in the future.

The schedule included in appendix 1 outlines the key improvements in the management and supervision of the contract.

Satisfaction / Complaints: Already in Spring 2016 we are seeing an improved level of service with clean and tidy estates and we are not experiencing the same level of complaints from customers or feedback from local members regarding grounds maintenance as this period last year.

A number of customers who complained about the service last year have been contacted to ascertain whether they are now satisfied with the service. Of these 10 out of 12 (83%) customers have confirmed that they were satisfied with the service currently.

Investment in Neighbourhoods: The more co-ordinated grounds maintenance contract provisions are part of a wider approach to improving the appearance and feel of neighbourhoods. A significant amount of investment has been allocated for environmental work and projects that are delivering real improvements in the landscape and street scene appearance.

In addition, a significant project is underway to deliver greatly improved play areas which will have a big impact on the appearance of estates as well as the opportunities for much improved play facilities. Additional projects are dealing with delivering improvements such as parking schemes. Appendix 2 gives examples of current projects.

5. How does the decision contribute to the Corporate Priorities?

The appearance and overall quality of neighbourhoods is a key part of the vision for Council housing service. This approach is outlined as follows:

Effective management of open spaces is one of the objectives of the Corporate Plan 2012 - 2017 is to ensure “Clean and Tidy streets” and “grounds maintenance services are run in a cost effective and efficient manner”.

The Housing Strategy 2016 -2021 states that – “Environmental improvements and on-going maintenance will contribute to promoting and supporting sustainable communities” and we will deliver a “focussed approach to environmental improvements within Council stock” and “enhance our open space / play assets”.

The Facilities Assets and Housing (FAH) business plan has a priority outcome to achieve “Strong and Sustainable Neighbourhoods where people are content to live and also to achieve value for money services”.

6. What will it cost and how will it affect other services?

The total annual cost of grounds maintenance services in 2014/15, the final year of the arrangement with Denbighshire’s in house service was £230,000. This cost included grass cutting, play area inspection and maintenance and also provision for contract supervision.

In 2015/16 this cost was £278,000, however we know that significant costs have been incurred due to the requirement for additional works over and above what was specified in the contract due to incomplete area data and the need to bring some areas up to a higher standard. Tenants have not seen an increase in their weekly service charge as these costs have been included in the HRA as part of a wider investment in local neighbourhoods.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?

An Equality Impact Assessment was not required for this contract as the awarding of the contract and the terms of operation do not have any specific impact on the protected characteristics.

8. What consultations have been carried out with Scrutiny and others?

The issue of Grounds Maintenance has been discussed regularly with the Denbighshire Tenants and Residents Federation (DTARF) and a representative was fully involved in the award of the contract and the tender analysis process.

9. Chief Finance Officer Statement

The contract has been fully costed and budgeted within the Housing Revenue Account. A large proportion of the cost is recovered through service charges for tenants.

10. What risks are there and is there anything we can do to reduce them?

The risks are the loss of customer confidence if land is not maintained to the highest possible standards and will lead to significant complaints. In addition housing owned land would look unsightly and give a negative perception of the council as a whole. The contract was awarded with clear responsibilities for the contractor to perform to high standards and protection for the council should the contractor fail to adhere to contract requirements.

11. Power to make the Decision

Article 6.3.4(b) and (c) of the Council’s Constitution outlines scrutiny’s powers with regards to the performance of services and the impact of particular decisions.

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