

## **Report to Cabinet**

**Subject:** Provision of Ground Maintenance Service and associated environmental works to Gedling Homes for 2017/18

**Date:** 27<sup>th</sup> July 2017

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### **Wards Affected**

All Borough wards except Ravenshead ward which does not have Gedling Homes housing stock

### **Purpose**

To request approval to enter into a contract with Gedling Homes for the Council to provide ground maintenance services and associated environmental works.

### **Key Decision**

This is not a key decision.

### **Background**

- 1.1. Gedling Homes, who are part of New Charter Housing Trust Group, are a landlord in the East Midlands. They were formed in 2008 when Gedling Borough Council transferred its housing stock. Since the transfer, the Council has been providing grounds maintenance services to Gedling Homes providing it with a garden maintenance service and a sheltered homes grounds maintenance service. This service can be provided under Section 93 of the Local Government Act 2003 and section 3 of the Localism Act 2011 on a cost recovery basis.
- 1.2 The Council proposes to enter into a new contract with Gedling Homes for the provision of these services from 1st August 2017 for a period of 8 months.. The services to be provided include maintenance of grounds and open spaces, arboricultural work, removal of fly tipping and graffiti, special clearance, garden services and other environmental works.
- 1.3 Gedling Homes have notified the Council of their intention to tender for this service with contracts to commence in April 2018.
- 1.4 The Council's Financial Regulations enable work for third parties to be undertaken to enable a service area to maintain economies of scale and its existing expertise, subject to obtaining the approval of the executive before negotiations with the third party are concluded. Financial Regulations require that a number of conditions are satisfied in the proposed contractual arrangement, principally covering:
  - appropriate insurance arrangements are made;
  - the authority is not put at risk from bad debts;

- the contract is not subsidised;
- the unit has the appropriate expertise to undertake the contract;
- the contract does not adversely impact upon the services provided for the authority.

## **Proposal**

2. It is proposed that approval is given for the Council to enter into a contract with Gedling Homes for the Council to continue to provide ground maintenance services and associated environmental works to Gedling Homes.

## **Alternative Options**

3. An alternative option would be to not enter into the contract. This would then result in the need to delete the equivalent of 3-4 PASC posts which are currently employed in delivering the service. There is a risk that TUPE will not apply if the Council decides not to enter into this new contract, raising a potential redundancy situation and consequent costs if staff cannot be re-deployed to other duties. This will also reduce the economies of scale and flexibility of the service as a whole.

## **Financial Implications**

- 4.1. The proposed contract specifies the basis of the service and ensures compliance with Financial Regulations as detailed at paragraph 1.4. The contract pricing is set to ensure full recovery of the costs incurred in the provision of the services. The value of the contract is estimated to be in the region of £100,000.
- 4.2. The current approved budget for 2017/18 assumed that the contract with Gedling Homes for provision of these services was ending on 31 March 2017 and reflected the consequent impact of reduced economies of scale. The budgets to recognise the continuing service in 2017/18, including this proposed contract, will require approval and these are included in the Quarter 1 Budget Monitoring report to Cabinet, an item elsewhere on this Agenda.

## **Appendices**

5. None

## **Background Papers**

6. None identified.

## **Recommendation(s)**

**THAT:**

**Approval is given for the Council to enter into a contract with Gedling Homes for the provision of ground maintenance services and associated environmental works from 1<sup>st</sup> August 2017.**

## **Reasons for Recommendations**

7. This contract maintains economies of scale in the PASC department ensuring value for money in service delivery and protecting jobs. As a primary land owner in Gedling Borough the contract will serve to ensure that Gedling Homes housing, gardens and grounds, are well maintained. Attracting others to the area and thereby increasing footfall for local business.