

Cheltenham Borough Council

Cabinet – 18th December 2018

Grounds Maintenance Services within the Housing Revenue Account

Accountable members	Councillor Peter Jeffries, Housing
Accountable officers	Adam Reynolds, Green Space Manager Martin Stacy, Lead Commissioner – Housing Services
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>This report outlines the culmination of a detailed review of Cheltenham Borough Council's (CBC) grounds maintenance service on Housing Revenue Account (HRA) land, provided by UBICO Limited (UBICO) and managed on our behalf by Cheltenham Borough Homes (CBH). The review was prompted by the need to provide a more accurate and equitable charging system for grounds maintenance coupled with a desire to address outstanding quality issues in the service provided by UBICO.</p>
Recommendations	<p>To approve CBC entering into the deed of variation with UBICO for the delivery of these changes to the grounds maintenance services in the contract dated April 1st 2012 for grounds maintenance and other services (the contract identifies CBH as the managing agents). The changes to commence on April 1st 2019.</p> <p>To note that any anomalies in current service provision (as detailed in Section 3 of this report) will be rectified, subject, where appropriate, to any financial approvals being first obtained from CBC.</p> <p>Delegate authority to the Managing Director Place & Growth, in consultation with the Borough Solicitor, to finalise the Deed of Variation to implement the objectives set out in this report. Also, delegate authority to the Managing Director Place & Growth, in consultation with the Cabinet Member Clean and Green Environment and the Cabinet Member Housing to make any subsequent changes to the Grounds Maintenance Services to be provided by UBICO provided that any such changes have no significant financial impact on either the General Fund or the HRA.</p>

Financial implications	<p>The gross budget for HRA grounds maintenance will be maintained at £317,000 in 2019/20 of which £206,000 (£213,000 in 2018/19) will be recharged to tenants and leaseholders. Total recharges excluding inflation will increase to £234,000 over the next two years as the protection described in paragraph 3.2 is reduced. The additional net cost of £7,000 in 2019/20 will therefore be recovered in future years.</p> <p>Contact officer: Paul Jones, paul.jones @cheltenham.gov.uk, 01242 264365</p>
Legal implications	<p>A deed of variation will be required to formalise the changes to the services provision and any charges in the agreement between CBC and UBICO dated 1 April 2012 for grounds maintenance and other services.</p> <p>The provisions for varying the agreement are contained in Clause 22 of the agreement.</p> <p>The property owners who are affected by service charges will be protected by section 20 of the Landlord and Tenant Act 1985 (as amended) which imposes on landlords a consultation procedure before the landlord can reclaim costs other than minor amounts.</p> <p>Contact officer: Steve Isaac, Solicitor Steve.isaac@tewkesbury.gov.uk, 01684 272050</p>
HR implications (including learning and organisational development)	<p>None</p> <p>Contact officer: , @cheltenham.gov.uk, 01242</p>
Key risks	<p>Please refer to Appendix 1 of this report.</p>
Corporate and community plan Implications	<p>This will support our ambitions to support community wellbeing, as identified within our Place Strategy.</p>
Environmental and climate change implications	<p>None as a direct result of this report.</p>
Property/Asset Implications	<p>None</p> <p>Contact officer: Dominic Stead@cheltenham.gov.uk</p>

1. Background

- 1.1** CBH manages the grounds maintenance services provided by UBICO on HRA land on CBC's behalf. This grounds maintenance service is delivered by UBICO for approximately £317,000 per annum. This service plays a key role in supporting positive outcomes for communities. Good grounds maintenance provides more than just visual appeal and maintenance of the asset. It enables wellbeing, providing safe and well-kept areas for play and relaxation and has an impact on the pride felt by the community and how customers (tenants and leaseholders) respect the internal areas of where they live.
- 1.2** CBC tenants and leaseholders' satisfaction with the grounds maintenance service was 69% in Summer 2017. This is below other services provided on our behalf by CBH. This level of satisfaction has an impact on the overall satisfaction of CBH customers as grounds maintenance is deemed an important driver of overall satisfaction. Prior to this recent survey, the views of CBC tenants were also taken into account when an external review of the grounds maintenance service was conducted by external consultants HouseMark Limited (HouseMark) in July 2015. This review identified a number of areas where improvements could be made in relation to maintenance of grassed areas, shrubs, hedges and weed control, as well as the monitoring arrangements between CBH and UBICO.
- 1.3** The 2015 HouseMark review was followed by a comprehensive audit of all maintained areas to prepare for a variation to the existing grounds maintenance contract. The existing agreement uses outdated maps of some of the maintained areas. These have been corrected with the assistance of GIS software. This ensures that service charges are based on up to date measurements and reflect the current environment being maintained. A variation has been drafted and agreed between CBH and UBICO, with the contract services having been priced by UBICO, by type and scope of work.

2. A summary of the proposed changes

- 2.1** The proposed changes to the existing contract between CBH and UBICO will ensure that the service standards already in place are delivered via strengthened arrangements for management, liaison, performance and financial transparency.
- 2.2** The ground maintenance specification will remain largely the same and in line with that of other Council green spaces, but the main changes to service standards is CBC's request for an additional weed spray each year (from 2 to 3) and the requirement for UBICO to remove weeds once they have died, and to identify Japanese Knot Weed where it occurs.
- 2.3** The standard to which the service will be monitored is in the form of the "Estates Services Peer Review Photo Book" (please see Appendix 2). This document sets out, through a series of documented photographic standards, the quality that will be expected from grounds maintenance operations. The book is divided into three service elements: grassed areas, weed clearance, shrub bed and hedge maintenance. Within each element are four standards ranging from very good to very poor, the intention being to aim for "very good" immediately following maintenance, accepting that the site will drop to "good" in between maintenance visits, but rarely drop into "poor" and never into "very poor".
- 2.4** All parties have been piloting this new contract management arrangement to ensure it is deliverable and appropriate.

3. Service Charges

- 3.1** This ground maintenance service review has also provided us with the opportunity to tackle some anomalies that have been identified. These are as follows:

- 3.1.1 Land which is open and has been sold as part of a right to buy application has continued to receive grass-cutting services. Going forward, it is proposed that this arrangement will cease, and that those private owners who are affected will be notified of the new arrangements. It is anticipated that 45 households will be affected.
- 3.1.2 To ensure a consistent service charge policy it is proposed that tenants and leaseholders living on large housing estates where amenity land is not linked to a specific property, or within the curtilage and enjoyment of a block of flats, will not be charged for grounds maintenance services. This clarification will result in some current charges being cancelled from April 2019, with the additional sum of £3,500 being borne by the HRA.
- 3.2 Overall, the proposed changes will result in some volatility in service charges. These changes are due to a variety of reasons, including grass, shrub or weed care areas that have been increased, amended or reduced, improved measurement of areas, areas previously maintained not included in the original paper mapping and amended boundaries.

It is proposed that households facing an increase in their service charges will have them increased incrementally over a 3 year period to better enable them to adapt to these changes. This will restrict the maximum increase to £0.96 per week in 2019/20. Households due a decrease in service charges will have them decreased in full in year 1. Grounds maintenance service charges will range from £0.17 to £5.93 per week in 2019/20 (current year £0.22 to £5.55 per week). These changes to service charges will be confirmed as part of the Cabinet and Council's approval of the HRA budget in February 2019.

4. Alternative options considered

- 4.1 Continue with existing arrangements. This is not considered to be preferable, in view of customer feedback as detailed at 1.2 of this report and anomalies in the calculation of some service charges currently in place as detailed at 1.3 of this report.

5. Consultation and feedback

Progress towards this proposed deed of variation has come about following customer feedback, as detailed above. The proposed changes have been agreed with key officers within UBICO, CBH and CBC, and in consultation with Cabinet Member- Clean and Green Environment.

6. Performance management – monitoring and review

- 6.1 Quarterly strategic meetings will continue to consider direction, continuous improvement, performance management, risk management, best practice and joint working initiatives. Monthly monitoring meetings will continue to be undertaken to support operational delivery and consider spend against budgets and performance. Each meeting will have relevant officers from CBC, CBH and UBICO in attendance.

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Appendices	<ol style="list-style-type: none"> 1. Risk register 2. Estate Services Peer Review Photo Book 3. Community Impact Assessment
Background information	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the proposed deed of variation between CBC and UBICO is not approved in relation to the provision of grounds maintenance services on HRA land, then tenant and leaseholder satisfaction will not improve	Lead Commissioner - Housing Services	16.7.18	2	3	6	Reduce	Cabinet approves deed of variation	April 2019	Head of Building Services(CBH)	
	If current anomalies in the provision of ground maintenance services on HRA land are not rectified, then this will continue to lead to some inefficiencies and unfairness in service delivery	Lead Commissioner – Housing Services	16.7.18	2	3	6	Reduce	Cabinet approves recommendation in the report. Should there be financial applications that require further approvals, then these will also be sought.	April 2019	Head of Building Services (CBH)	
	If current anomalies in the provision of ground maintenance services on HRA land are removed, then this may lead to some dissatisfaction from householders currently benefiting.	Lead Commissioner - Housing Services	16.7.18	2	3	6	Reduce	Those residents affected will receive letters explaining the proposed changes and why they are necessary. Ward members from the affected areas will also be informed of the changes.	April 2019	Head of Building Services (CBH)	

	If current anomalies in the existing data used in the provision of ground maintenance services on HRA land remain, then the financial basis of the contract will be inaccurate	Lead Commissioner – Housing Services	30.8.18	2	6	12	Reduce	Cabinet approves deed of variation	April 2019	Head of Building Services (CBH)	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6
(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close