

REPORT TITLE: HOUSING GROUNDS MAINTENANCE – FUTURE
PROCUREMENT OPTIONS

CABINET (HOUSING) COMMITTEE

23 NOVEMBER 2016

PORTFOLIO HOLDER: Cllr Caroline Horrill, Portfolio Holder for Housing

REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

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WARD(S): ALL

PURPOSE

This report reviews the existing Housing Grounds Maintenance service and considers options for future procurement once the existing contracts ends. The report also includes commentary from a Tenant Scrutiny Group who have reviewed the existing service and made a number of recommendations for change.

The Council is currently working with East Hampshire District Council to review the existing overall Environmental Services contract, of which Housing Grounds forms a relatively small part of. This Committee has the opportunity to feed their views into the review.

RECOMMENDATIONS:

1. That the Committee formally responds to the Joint Environmental Services Contract Consultation Review expressing their concern with any proposal to extend the existing contract, as set out in 8.6 d) below.

IMPLICATIONS:1 COMMUNITY STRATEGY OUTCOME

1.1 Effective grounds maintenance is an essential element of maintaining a High Quality Environment.

2 FINANCIAL IMPLICATIONS

2.1 No direct implications. A preference for a dedicated local contract for Housing land is likely to result in higher unit costs.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 Any consideration of extending the existing contract and removing activities from it will be subject to any changes being within the terms of the contract or allowed under the procurement regulations..

4 WORKFORCE IMPLICATIONS

4.1 A dedicated Housing Grounds maintenance contract would require additional resources to support the procurement process, although it would be possible to identify this from existing resources. Sufficient resource already exists to support the contract management process.

5 PROPERTY AND ASSET IMPLICATIONS

5.1 None

6 CONSULTATION AND EQUALITY IMPACT ASSESSMENT

6.1 As set out in the report. The service has been subject to detailed customer scrutiny and tenants' views on what changes are required are summarised in the appendix to this report.

7 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Community Support – Tenants challenging the value of their service charge if service improvements not achieved</i>	<i>Recommend to JESC that Extending existing arrangements only to be agreed if improvements achieved and maintained in interim period.</i>	
<i>Project capacity- Insufficient resource to procure new arrangements</i>	<i>Additional project support to be commissioned if alternative arrangements put in place</i>	

<p><i>Financial / VfM – Dedicated housing contract would be more expensive</i></p> <p><i>Increased costs would mean higher service charges to residents</i></p>	<p><i>Savings achieved through the current contract currently funding other works but could be reallocated.</i></p> <p><i>Tenant consultation indicates a preference for this to achieve an improved service. Any weekly increase in the overall service charge would be marginal.</i></p>	
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8 SUPPORTING INFORMATION:

8.1 Background

- a) The grounds maintenance of the Council's Housing land is currently undertaken as part of the joint Environmental Services contract. The contract is supervised by the "Contract Management team" jointly resourced with East Hants District Council, although this resource is supplemented by Housing teams who undertake regular inspection and customer liaison.
- b) The contract was keenly priced. The current Housing Service totals approximately £100,000, which was almost 50% less than previous contracts. The initial term of the contract will end in October 2019 and the option whether to extend or commission a new contract is currently being reviewed in conjunction with East Hants District Council
- c) Since the contract commenced in 2011, performance has never completely complied with the expectations of the specification and the service has been subject to ongoing disputes with the contractor regarding the clarity of the specification. Issues have included missed grass cutting cycles and non completion of works to shrub beds, hedge cutting and weed treatment..
- d) Since the commencement of the contract, neither City Council staff or the Contract Management team has had access to work schedules (a key requirement of the contract and essential to assist with effective monitoring). This remains a problem although is now being addressed by the contractor.
- e) In the early years of the contract, the ongoing contract disputes prevented the effective use of formal contract management measures to address performance. However, in the last year, the Contract

Management team have upheld 119 default notices in relation to Housing work.

8.2 Current Performance

- a) Standards of maintenance have improved in the last year and services at Sheltered Housing schemes do in most cases comply with the specification. In general, grass cutting is completed in line with the schedules. This is still not being achieved for hedge cutting, weed and moss treatment and some shrub bed maintenance.
- b) In the last two years, it is estimated that over £30,000 of additional work has been commissioned from other contractors to address areas either not completed as part of normal contract works or which were subject to ongoing disputes.

8.3 Tenant Scrutiny

- a) Since the start of the contract, TACT and other tenant groups have raised concerns about the quality of the service. As tenants fund the service directly through their service charge, it is not surprising that they have taken a more direct interest in the service, particularly when they live in communal housing such as flats and sheltered housing.
- b) In 2012, tenants formed a “task and finish” Tenants Scrutiny Panel and challenged the Council and its contractor to clarify a number of issues, take their concerns seriously and consider changes to address their concerns.
- c) In addition, the Council encouraged direct monitoring by tenants and now work with over 40 residents who complete records and act as additional inspection resource to support the work of Housing teams.
- d) The Scrutiny Panel interviewed officers from both Councils as well as the contractor. They completed site visits and district tours. In 2014, they made formal representations to the City Council’s Overview and Scrutiny Committee and challenged the contractor directly at that meeting.
- e) The Scrutiny Panel prepared a detailed report for the Council’s consideration. A summary of the report is attached as an appendix to this report.
- f) The recommendations from the Tenant Scrutiny Panel strongly favour a cessation of the existing contract and procuring a dedicated Winchester Housing Grounds contract, with much greater emphasis on quality.

8.4 Key Changes Required

- a) Housing officers have now met with the Contract Management team and the contractor to review what changes are still required to ensure compliance with the specification and the overall service quality. Consideration has also been given to what reasonable changes could be made to existing schedules and the specification to improve service levels, including increasing cutting frequencies on some land as well as ensuring the cutting season accurately reflects when grass is growing (the current spec allows cutting to start in February and run through to November).

8.5 Future Procurement Options

- a) Retaining Housing Work in, and, extending the Existing Contract – Some elements of the existing contract are now performing well although problems do remain. Assurances as to whether and how the contractor intends to address the existing shortcomings (including the regular and timely provision of work schedules) have yet to be received, as has any confirmation that additional works required can be undertaken at a reasonable cost. However, if positive assurance could be given, the option of extending the existing service beyond 2019 could be considered.
- b) Procuring a new contract across both Council areas – If the existing contract is not extended, the Council will need to determine if a joint procurement exercise would provide value for money for both councils. Consideration of this issue will be included in the report on the overall Contract scheduled for Cabinet in the New Year. Whilst this may be the case for some services such as refuse collection and cleansing, it should be noted that the grounds owned by each Council are different. Winchester has significantly more housing land subject to tenant service charges and also more ornamental gardens and sports land. Whilst a joint contract could be considered, the City Council's expectations and demands on this service are significantly greater.
- c) Removing Housing Work from Existing Bills of Quantity and Procuring a dedicated Grounds Contract for Housing land – A dedicated Housing grounds contract would allow for a clearer focus on the specific elements and specialist requirements (grass collection and footpath safety at sheltered housing schemes for example) as well as the increased customer expectations that arise from the direct payment for the service. The Housing Estates team undertake regular inspection of all such areas and are well placed to manage and monitor a dedicated contract. However, such an approach is less likely to be delivered within the current prices and such an approach could see costs increase by as much as 50-60%.

8.6 Conclusions

- a) The Tenant Scrutiny Group makes strong recommendations that the Council should consider option C) above. In light of the performance and general relationships over the last five years, it remains unclear whether the existing contractor could ever address all the concerns that remain outstanding as well as delivering additional works required.
- b) Recent discussions with the contractor have been more positive and a proposal for changes, clarification of the specification and costing of additional work is expected from the contractor in the next month. The contractor has also been requested to detail how they will improve quality/ communication/IT system and supervision.
- c) If officers can be reassured that the contractor can address all concerns and implement changes to comply with the requirements of the specification, an extension of the current contract could be the most cost effective option available to the Council.
- d) However, in light of the problems experienced through the life of the contract, it is recommended that the Committee express their concerns to the formal consultation review and that an extension only be considered if sufficient reassurances can be provided that all concerns can be addressed. Without that, a dedicated housing contract should be the favoured option.

9 OTHER OPTIONS CONSIDERED AND REJECTED

- 9.1 The key options are all set out above. There are clearly other options or variations of those listed, although the most viable options are included in this report.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

Other Background Documents:-

None

APPENDICES:

Appendix 1 - Landscape Scrutiny Group Report – May 2016

Landscape Scrutiny Group Report – May 2016

1. Background

Housing Services have for many years assisted tenants to undertake reviews of its services as part of the commitment to Tenant Involvement. More recently, in line with best practice and requirements set out by the regulator for social housing, the Homes and Communities Agency (HCA), Performance Review Groups (PRGs) have been formed covering key service areas, including Repairs and Maintenance, Housing Management and Older Persons Housing. The PRGs meet quarterly to monitor key performance indicators for their service areas, as well as considering policies, practices and service delivery. They comprise of members of Tenants and Council Together (TACT), the formal district-wide tenant and leaseholder consultative forum and other tenants. One of the functions of the PRGs is to highlight any areas of concern, for example where performance may have dipped or complaints have been received, and request a more in depth investigation. This is referred to as a 'scrutiny' exercise and is undertaken by interested members of the PRGs who form a 'scrutiny group'. The scrutiny group should act as a task and finish group; their work culminating with the production of a report highlighting their findings and recommendations. The Landscape Scrutiny Group (LSG) was the first to be formed and this report highlights the key aspects of their work which took place over a period of over three years and makes recommendations based on their findings. A full copy of their report is attached in Appendix 1.

2. Introduction

The Landscape Scrutiny Group (LSG) was formed in September 2012, in response to a survey undertaken by the Older Persons' Housing Performance Review Group (previously called the Sheltered Housing Scrutiny Group), which suggested that one of the biggest concerns to tenants living in sheltered housing was the standard of grounds maintenance. This issue had also been raised at the other PRGs and therefore it was agreed that a scrutiny group would be formed to investigate this further.

The group, which comprises six tenants, supported by Housing Services Estates Services Officer, Caroline Robinson, and Tenant Involvement Officer, Heather Wensley. Their objective was to scrutinise the grounds maintenance contract for Housing land. The maintenance of Housing land is part of the larger Street Cleansing and Grounds Maintenance contract, which operates across both Winchester City Council and East Hampshire District Council, with East Hampshire District Council being the administering authority for the contract. The value of the Housing grounds maintenance contract is approximately £95,000. The contractor is The Landscape Group (TLG) and the contract period runs from 2011 to 2019.

As part of their brief, the group was asked by Richard Botham, Chief Housing Officer, to consider the value for money aspect of the contracted service and also the contract management monitoring arrangements of both Councils.

Members of the scrutiny group previously attended the Overview and Scrutiny Committee on 28th October 2013 to provide a summary of their findings at that time. This report concludes their findings and details recommendations for consideration.

3. Training of Scrutiny Group Members

Before the scrutiny group could effectively begin their investigation they were given an overview of the grounds maintenance contract by Caroline Robinson, which included an insight in to how TLG planned to undertake their work. All members of the group were issued the full contract documentation and were briefed on all the key components of the contract and how it is run.

4. Scrutiny Exercise

The scrutiny group used a number of methods to examine the quality of the grounds maintenance service delivered by TLG and the management of the contract by the two Councils. These included:

- Meetings with the contract managers from TLG and the Joint Client Team to discuss the performance of the contract and its management, including complaints, resourcing and equipment levels.
- Road trips, visiting sites with members from TLG and the Joint Client Team, inspecting the works undertaken and comparing these to the contract specification, and identifying where work had not been completed.
- Site visit to the TLG depot to assess the management and administrative functions of the contract. This included a demonstration of TLG's new IT system, which was soon to be introduced to manage the contract workload.
- Landscape monitors (approximately 40 tenant volunteers) who reported back to the Estate Services Officer their findings for the standard of works undertaken by TLG on sites across the district.

The scrutiny group initially set themselves a timescale of one year to complete their investigation in order to assess a complete seasonal cycle of works as specified in the contract. As certain aspects of the works are only undertaken at key points in the year, the scrutiny group felt strongly that they needed to review all components, so set themselves the longer timescale in order to achieve this. However, this timescale was extended on a number of occasions due to the scrutiny group concluding that too many issues remained unresolved; every time they saw improvements in one area of the contract, further problems appeared in another.

5. Experiences of the Scrutiny Group

From the start of the scrutiny exercise, the scrutiny group felt their ability to fully investigate and challenge the services being delivered under the grounds maintenance contract were greatly hindered by not being provided with key information. The group was keen to properly equip themselves with the right documentation, so that their investigation was well informed and to prevent them

from making inaccurate conclusions about the work TLG were doing. The group regularly requested copies of the works schedules which would clarify what sites had been visited by TLG and when, together with what works they had completed.

The scrutiny group worked with the Landscape Group (TLG) management team and officers from WCC and EHDC Joint Client Team as part of the scrutiny exercise.

The same issues were raised repeatedly by tenants at scrutiny group meetings, which were attended by WCC & EHDC officers and, only at times, by TLG managers. The lack of attendance at meetings on occasions by TLG meant the scrutiny group felt it was not being taken seriously and they were making excuses for not turning up to face their challenges. The group felt frustrated that their views and requests for information were not being actioned and that no significant progress was evident. However, the scrutiny group remained highly motivated and committed to the process, with their aim of effecting real improvements to standards on the ground for all tenants. Issues raised at meetings included:

- Lack of performance information, including schedules & returns
- Deadlines allowed to slip, resulting in work being carried out late or not at all
- Lack of resources on the ground and lack of supervision of crew members
- Lack of feedback from ground crews regarding issues
- Lack of clarity over process for issuing Notices, due to TLG querying the meaning of parts of the contract
- H&S issues around cutting on slopes and at height (hedges)
- High turnover of management in TLG
- PVOs not being processed

Queries over payments made to TLG following PVOs

In September 2013, Robert Heathcock summarised the contract issues as:

- Lack of supervision
- Crews not always having the right equipment
- Staff need to stick to the programme of work
- Contract monitoring arrangements
- Productivity rates
- Lack of acceptance of overtime from contractor

The lack of improvement in the amount of work being done 'on the ground' made the group feel that TLG were using smoke screens to justify why work was not being done, for example health and safety concerns which were not an issue before. The group felt there was always an excuse for something not being done or completed to standard and found the responses of TLG very frustrating.

Towards the end of the scrutiny group exercise, from July 2015, the group felt that contract performance was being taken more seriously by all involved and there was an acknowledgement by TLG that there were issues with the contract. It was noted that improvements could be seen in how the grounds were being maintained and financial penalties were being issued to TLG. Additional resources were also put in place to monitor the contract with another CMO being appointed.

6. **Conclusions of the Scrutiny Group**

The scrutiny group identified a number of key concerns with the service, some of which would not have come to light if it had not been for the work of the group.

- Concerns about TLG's apparent inadequate resourcing of the contract and insufficient equipment to undertake the works required
- Crews inability to multi-task; for example, if equipment was out of action or the weather stopped them from completing certain works, they were unable to do something else instead
- Poor image of the crews on site, sitting in their vehicles and not working. Question over time that was being allocated to each site.
- Shrub beds not being maintained to the contract specification, partly due to lack of regular scheduled visits from TLG to complete the works. Same situation for other works, such as weeds and moss removal and hedge cutting. The work was not being undertaken at the required times as stipulated in the contract. This made it difficult for WCC to monitor the work
- Lack of qualified staff, crews completing the works were still completing their training
- Lack of supervision of the crews, inability to track staff and monitor their work
- Supervisors spending too much time in the office doing administrative tasks, rather than overseeing the work of the crews
- Incorrect reporting of the contract; works being signed off as complete by TLG, but tenants saying it had not been completed
- Poor communication between TLG and the Councils regarding decision making
- Poor communication between the Council teams and TLG regarding permanent variation orders

- Issues between TLG and EHDC impacting on the wider contract performance. For example, grounds maintenance staff being used to supplement the street cleansing side of the contract
- The administration of the contract and in particular payments. Full amount paid to TLG, but then TLG are invoiced for any penalties. Group unsure this money was received. Paying twice for work. No reduction in cost of WCC contract (and tenant charges), despite changes to specification following declassification of some sheltered housing sites
- Winchester tenants were paying for work that had not been completed or not recouping costs from TLG for extra work it was paying an external contractor to undertake
- Issues over the issuing of rectification notices.

Other external factors, beyond anyone's control, which would have an impact on the performance of the contract include bad and prolonged wet weather.

Where improvements in grounds maintenance have been achieved more recently, this has been because additional funds have been allocated to bring sites back to standard, additional staffing allocated to the contract to monitor the quality of the work and help get the works back on track and some work has been sub-contracted by TLG so it could be done (including weed & moss treatment).

It must also be noted, where work was (& is being) completed, TLG have generally achieved a good standard.

Recommendations of the Scrutiny Group

The scrutiny group made the following recommendations in their report:

1. That the Council establish a stronger direct client role within the Housing service which would carry out its own administrative functions for the contract and would be able to better monitor the financial situation.
2. At the renewal of the contract, Housing Services secure a separate contract for grounds maintenance and/or that it is considered by WCC that some of the grounds maintenance services are taken in-house; areas such as the higher maintenance sites.
3. That an inspection officer role within Housing Services be made permanent so that there is a full time equivalent working on the contract within WCC.
4. That the group cease as a scrutiny exercise and the monitoring of the TLG contract is continued by the tenant Landscape Monitors who report back regularly to Caroline Robinson, Housing Estates Services Officer and meet twice a year.

5. WCC should tighten the grasp on financial penalties for the contract, ensuring that contract notices are adhered to and financial penalties are enforced, with amounts recouped.
6. All previous notices and fines from TLG should be clawed back and paid to the appropriate department with immediate effect.
7. That all schedules and returns from TLG are provided to WCC, on time, as per the contract specification. This should also be enforced by EHDC.
8. Future tendering for contracts should reflect higher on quality, rather than cost. The group is aware that this would have an implication on contract costs, but feel that quality of service is more important to the reputation of WCC.
9. The new specification for the next contract should be 'water tight' to eliminate the same issues arising with the next contract.
10. For future contracts to include a code of conduct that dictates that contractor staff working on behalf of WCC act in an appropriate manner at all times whilst carrying out their duties.

The SG recommendations are not just about this contract, a number are cross cutting across the procurement and management of contracts in general by the Council.