

Report to:	Cabinet	Date of Meeting:	20 June 2019
Subject:	Burials & Cremation Service Grounds Maintenance Provision Post 2020		
Report of:	Head of Locality Services	Wards Affected:	All
Cabinet Portfolio:	Cabinet Member Locality Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

1. To propose the insourcing of the Grounds Maintenance provision for the Burials & Cremation Service following the end of the current external contract in March 2020.

Recommendation(s):

That Cabinet:

1. Agree to the insourcing of the Burials & Cremation Grounds Maintenance function with the establishment of an in-house service commencing April 2020.
2. To delegate to Head of Locality Services to progress this insourcing (subject to any requirement as to due diligence) including any potential TUPE transfer of the existing contractors staffing, as appropriate following a due diligence exercise. The Head of Locality Services to liaise with the Head of Corporate Resources in respect of any action.
3. To approve the requirement to purchase vehicles, machinery and equipment to facilitate the insourcing at a cost of £200k, to be funded from within existing budgets.

Reasons for the Recommendation(s):

Following the previous insourcing of the Parks & Landscapes grounds maintenance function, now operated by Green Sefton, the opportunity exists to deliver another important grounds maintenance function across the Burials & Cremation service via the same operational unit. This will provide additional opportunities for community involvement and development, as well as providing greater flexibility and additional support to the Burials & Cremation service as and when required.

Alternative Options Considered and Rejected: (including any Risk Implications)

Undertaking a new procurement exercise to continue with the service being delivered by an external contractor.

What will it cost and how will it be financed?

(A) Revenue Costs

The costs of providing an in-house Grounds Maintenance service appears to be cost neutral and can be contained within existing budgets based on existing operational staff levels. However this is subject to further due diligence in respect on currently unknown TUPE issues.

(B) Capital Costs

Capital investment is required for Machinery, Equipment and Fleet vehicles via Prudential borrowing. This will cost £200k and will be repaid over 3 & 5 years, following which all equipment will become an asset of the Council. Provision for the repayment costs for this capital investment is also contained within existing revenue budget.

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): Funding for Procurement of fleet vehicles, machinery and equipment will be via Prudential borrowing over 3 & 5 years (3 for machinery & 5 for fleet vehicles). Repayment costs are to be met via existing budget provision. There will also be staff resource implications for HR eg payroll / job evaluation / etc following TUPE.</p>
<p>Legal Implications: The existing term contract for service provision terminates on 31st March 2020, and so there are no legal implications arising from the natural ending of the contract. There are TUPE issues associated with this process and these are being addressed via a due diligence exercise.</p>
<p>Equality Implications: There are no equality implications</p>

Contribution to the Council's Core Purpose:

<p>Protect the most vulnerable: N/A</p>
<p>Facilitate confident and resilient communities: Cemeteries and Crematoria hold a special place for a number of residents and visitors to the Borough. Well presented facilities improve confidence amongst communities.</p>
<p>Commission, broker and provide core services: Insourcing the current grounds maintenance activity provides additional opportunities for economies of scale and supports the delivery of core services.</p>
<p>Place – leadership and influencer: Cemeteries and Crematoria are seen as an integral part of the local 'place' infrastructure. This process will support this view in a positive manner.</p>
<p>Drivers of change and reform: N/A</p>

Facilitate sustainable economic prosperity:

The insourcing process will open up a number of opportunities for additional local employment, additional training opportunities, new apprenticeship programmes and opportunities for organisations such as the Council's 'Natural Alternatives' scheme.

Greater income for social investment: N/A

Cleaner Greener: The nature of the service, coupled with the way in which it will be delivered, will contribute to providing a cleaner, greener Borough.

What consultations have taken place on the proposals and when?**(A) Internal Consultations**

The Head of Corporate Resources (FD5654/19) has been consulted and notes the report indicates no additional financial implications for the Council (in advance of TUPE diligence exercise). It also offers a greater opportunity and flexibility to work more imaginatively with Partners, External Organisations and Community Groups. The Head of Corporate Legal Services (LD4778/19) has been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not applicable

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1. The grounds maintenance functions required across all cemeteries and crematoria in Sefton are all currently delivered via a Grounds Maintenance Contract with an external contractor.
- 1.2. The contract provides Grounds Maintenance operations at 5 sites:
 - Bootle Cemetery;
 - Duke Street Cemetery, Southport;
 - Liverpool Road Cemetery, Birkenhead/Ainsdale;
 - Thornton Garden of Rest;
 - Southport Crematorium;
- 1.3. The current value of the contract is £380k per annum. The original contract was awarded in 2006 for 7 years, and was extended with a second 7 year term in 2013, with a contract expiry date of 2020. This second contract term expires on 31st March 2020.
- 1.4. The Contract provides 9.5 FTE posts for scheduled maintenance across all sites including, grave digging, memorial-related works, horticultural works (such as mowing, shrub maintenance, new planting, chemical weed control), litter and cleansing works.
- 1.5. Non-scheduled works are also catered for within the contract and includes, for example, 'making safe' after incidents, estate work, pothole repair and small landscape improvement projects.

2. Green Sefton

- 2.1. The Green Sefton Service commenced on the 1st April 2018, bringing the former Parks & Greenspaces, Coast & Countryside and FCERM (Flood and Coastal Erosion Risk Management) teams together. It was an aspiration that the new service would provide a 'one stop' shop for Land Management issues and enquiries, making it easier for our residents and customers to interact and use our 'Green Assets'.
- 2.2. Training and development has improved the overall skills across the team facilitating great diversification of traditional roles and responsibilities. The Green Sefton team works across all areas and now more easily adapts service delivery to meet specific demands.
- 2.3. As the Burials & Cremation Grounds Maintenance Contract is now coming to its natural end in March 2020, there is an opportunity to expand Green Sefton's portfolio to deliver additional benefits to the Council.

3. Grounds Maintenance Insourcing 2017

- 3.1. The Grounds Maintenance function for the former Parks & Greenspaces service was insourced in 2017. This provided efficiency savings, facilitated greater flexibility of service delivery and prepared for public sector reform (PSR7) as a precursor to the formation of Green Sefton.

4. Future Grounds Maintenance Provision for the Burial & Cremation Service

- 4.1 As the existing grounds maintenance contract comes to a natural end on March 31st 2020, an opportunity exists to insource the provision of all grounds maintenance functions.

It is felt that insourcing this activity would provide a number of benefits as follows:

- a) There would be increased efficiency as the work would be co-ordinated within a much larger programme, meaning that there would be far more resource available to call upon if a particular issue arose, or if specific action was required at a particular location.
- b) There would be direct control of the grounds maintenance provision, as opposed to traditional 'Contract Management', undertaken on a 'client officer' basis by the management team of the Burials & Cremation Service.
- c) There would be greater operational resources available, and greater control over work scheduling.
- d) It will be possible to develop a wide range of Community Engagement projects, working across the wider 'landscape' of Sefton, and increasing the visual quality and scope of activities on the ground.
- e) It will be possible to work flexibly across the Land Management work schedule to provide focussed support for presentation of cemeteries and crematoria when they are most busy. Traditionally during busy periods, grave digging takes precedent over general grounds maintenance, which can lead to reduced quality/standard of presentation.
- f) Insourcing will assist in meeting the council's budgetary requirement by maintaining the provision of a grounds maintenance function within the available budget. Should the current contract be re-tendered externally it is likely that the proposed cost would be in excess of the currently available budget.
- g) An insourced service will add social value, providing support for other service areas, and providing opportunities for far greater involvement with our local communities, partners and target groups.
- h) There will be additional operational efficiencies that can be introduced supporting increased functionality and operational diversity to meet the Councils wider objectives.

5. TUPE Implications and Additional Opportunities

- 5.1. There are currently 9.5 FTE provided by the external contractor that work on site. These, it is believed, will be subject to TUPE regulations, in that their employment would be transferred to the Council. For budget purposes, these posts have been graded in line with existing Council posts that are considered to be at a similar level (although would be subject to job evaluation). The costs of providing an in-house Grounds Maintenance service appears to be cost neutral based on existing operational staff levels. The full extent of contractual conditions of staff and numbers

of staff that the external provider attributes to the current grounds maintenance contract are currently unknown. Until the detail of this is understood, the financial impact of the TUPE transfer cannot be fully understood. A full due diligence exercise is necessary to establish the full employee implications. Consultation will be required with both the Council's Joint Trade Union Forum and the current contractor workforce.

5.2 However, at this stage the service department considers that there is only a minimal risk of additional unforeseen staffing, e.g. in the circumstance the contractor can demonstrate that additional staffing has been solely dedicated to supporting the staffing provision, for example, admin support, etc.

5.3 The insourcing of the service, coupled with the associated TUPE transfer, provides a number of positive 'staffing' opportunities as follows:

- a) The opportunity to review the structure and methods of working to ensure that the required outcomes and outputs are met in full at all times.
- b) The opportunity to establish a staff training and development programme to enable this group of staff to be more versatile and able to operate across a wide range of grounds maintenance functions.
- c) The opportunity to include this particular service in the wider council apprenticeship programme.
- d) The opportunity to work more creatively with community groups, businesses and partners, both internally and externally.
- e) The opportunity for the Natural Alternatives team to undertake a range of activities within the service area, for example, small landscape maintenance projects, improved floral displays, bench restoration & painting, etc.

6. Risks & Mitigation

6.1 Risk

- Potential risk of poor performance once notice has been issued to Contractor

Mitigation

- The Contract has a robust system for dealing with operational failure; and could recoup funds for any defaults committed by the Contractor during the notice period.
- Other services that perform similar maintenance functions could be utilised to support any short term operational problems. This can be planned for in advance to reduce the potential risks to service delivery

6.3 Risk

- TUPE transfer applies to the Contract; staffing transfer is variable as the Contractor may try to retain staff for other Contracts. Potential for staffing shortages if sufficient personnel are not transferred over.

Mitigation

- Opportunity to create new jobs
- Opportunity to review the structure
- Opportunity to establish increased staff training and development and an increase in apprentices
- Opportunity to work more creatively with Community groups, businesses and partners both, internally and externally
- Opportunity for the Natural Alternatives team to undertake small landscape maintenance projects, improved floral displays, bench restoration & painting

6.4 Risk

- TUPE transfer applies to the Contract; staffing transfer is variable may include additional staff, e.g. an administrator. Potential for additional staffing transferred over.

Mitigation

- The staffing numbers and costs will be identified during TUPE. The current outline cost calculation includes a contingency of £30k
- The existing staffing includes seasonal posts which provides the opportunity to review the structure staffing allocation post TUPE.
- Support can be drafted in from the wider Green Sefton Land management team for the majority of maintenance operations.

6.5 Risk

- Service delivery during the initial set up period from Spring 2020.

Mitigation

- The existing operating procedures can be continued with the insourced personnel providing good business continuity.
- We have created very strong links with the contractor's front-line team on the ground and are confident they view the opportunity to work for Sefton as beneficial.
- Support can be drafted in from the wider Green Sefton Land management team for the majority of maintenance operations.

7. Financial Consideration

7.1. The current budget for Grounds Maintenance functions within the Burials & Cremation Service is £380,000. The table below shows the operational cost of delivering the service in-house can be contained within the £380,000 budget. This includes the payments resulting from the requirement to procure machinery, vehicles and equipment for the operation of the contract. At present additional costs arising from TUPE are unknown, but a due diligence exercise is being undertaken.

7.2. The initial cost for machinery, vehicles and equipment will be £200k. This will be funded via prudential borrowing, and an application will be made to increase the capital funding available for such purchases during 2020/21. The machinery and equipment will be repaid over a three year period, and the vehicles will be repaid over a five year period. The prudential borrowing costs can be contained with existing revenue budgets.

7.3. Summary of cost for in-house service:

Item	Start-up cost (Year 1 2020/21)
Scheduled operations:	
Staffing for 9.5FTE, incl salaries and on costs	£238k
Running costs: Depots, Fleet, Machinery, Equipment & Consumables, (inc repayment for prudential sums)	£142k
Total	£380k

8. Conclusion

- 8.1. Due to the natural end of the existing Grounds Maintenance contract across Burials & Cremation sites in Sefton, an opportunity exists to insource all related functions, and to provide all services alongside the already insourced grounds maintenance functions undertaken by the Green Sefton team.
- 8.2. The ongoing services can be provided in-house at no additional cost, but with a number of added benefits as detailed earlier in this report.
- 8.3. Going forward there may be an opportunity to reduce expenditure via economies of scale with the existing insourced Grounds Maintenance function operated by Green Sefton, and this will form part of an ongoing review of all grounds maintenance services offered across all Burials & Cremation sites.
- 8.4. There is also an opportunity for a number of existing schemes to benefit from this potential insourcing exercise, which will then provide 'added value' to the insourcing exercise. These include our Natural Alternatives team and the services they offer and the opportunities they provide, increased involvement with and by local community groups and partners, and the increase of opportunities available within the existing apprenticeship scheme.
- 8.5. As such, it is recommended that approval be given to insource this particular function, and that it become part of the wider grounds maintenance functions already being successfully delivered by Green Sefton.