

**Report to:** Cabinet

**Date:** 20 March 2025

**Title:** The Future of Grounds Maintenance

**Report of:** Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning

**Cabinet member:** Councillor Emily O'Brien, Cabinet Member for Climate, Nature and Food Systems

**Ward(s):** All

**Purpose of report:** Consider and determine the future operation and management of the council's grounds maintenance arrangements

**Decision type:** Key

**Officer recommendation(s):** Cabinet is recommended to:

(1) Approve a hybrid approach for future grounds maintenance delivery, which includes contracting to an external provider for the council's grounds maintenance core service provision via a joint procurement exercise with Eastbourne Borough Council.

(2) Give delegated authority to the Deputy Chief Executive and Director of Regeneration and Planning, in consultation with the Leader and portfolio holder, to develop and progress operational and procurement plans to ensure new service arrangements are in place for April 2026, including all contractual and ancillary arrangements.

**Reasons for recommendations:** To meet the council's financial and service needs in the most efficient and economically viable manner, as recommended by professional advisors.

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## **1 Introduction**

1.1 The current contract between Lewes District Council and contractor idverde delivers grounds maintenance services to sites within Lewes district and those of other authorities including Eastbourne Borough Council (EBC), and Lewes, Newhaven and Seaford Town Councils.

- 1.2 Idverde became the service provider for the council's grounds maintenance when they acquired TCL Holdings Limited in 2019 (TCL Holdings Limited owned G. Burley and Sons Ltd. with whom the contract was initiated).
- 1.3 The original five-year contract between the council and contractor G. Burley and Sons Ltd. (which commenced on 1 April 2015) included the option of a three-year extension to 31 March 2023, which was taken. Following the extension of the contract, it was further extended by another three years to 31 March 2026. The purpose of this further extension was to give the council and EBC time to review the services required and appraise various management options for the long-term management of grounds maintenance in the authority areas.
- 1.4 The current contract is managed within Neighbourhood First's Green Consultancy.
- 1.5 In early 2024, a project was initiated to look at the options available for managing grounds maintenance and to determine the preferred management option for the grounds maintenance service from April 2026.
- 1.6 Following a competitive process, a specialist consultant, Grounds Solutions (GS), was appointed to provide a detailed report as to the most cost effective and recommended option for managing grounds maintenance.
- 1.7 GS previously provided consultancy to the council in 2014, providing a comparator costed bid for grounds maintenance services versus external bid during the procurement exercise.
- 1.8 The cost modelling exercise completed by GS covered the following options:
- **Option 1: Bring grounds maintenance management in-house for both councils, managed:**
    - a: by the council, or
    - b: under a Local Authority Controlled Company (LACC)/Local Authority Trading Company (LATCo)
  - **Option 2: Procure an external contractor to provide grounds maintenance services.**
- 1.9 The key outputs for the cost modelling included:
- Output needs to be itemised separately for each authority.
  - Cost models for both Options 1 and 2 based on delivering to the current service specifications.
  - A summary of estimated realistic costs by service type for each option.
  - Itemised cost breakdown.
  - Staffing, vehicle and equipment requirements for Option 1a and 1b.
  - Estimated lead times for purchasing any required vehicles.
  - Advice on the size of depot/s required and an approximate lead time for procuring.
  - Assessment of how the costed options would meet the council's environmental policies.

- High-level observations and feedback on the current specification and how it might be adjusted for the council to deliver a cost-effective service.
- High-level recommendations (and reasons) on a preferred management option, for the council to consider.

1.10 The council's priorities have changed since the contract was originally awarded, and new arrangements will reflect the focus on sustainability and nature recovery alongside the importance of public access to and enjoyment of green spaces.

1.11 In the light of the council's participation in the Devolution Priority Programme, considerations of the effects of devolution and local authority reorganisation will be made as part of the new arrangements for the grounds maintenance service.

## **2 Proposal**

2.1 Further to the cost modelling exercise performed by GS and its resulting advice and report, as well as consultations with a range of councillors, the Grounds Maintenance Project Board and Team have considered the best options for the council, and proposes:

- The council adopts a hybrid approach whereby core services are provided by an external contractor and high-priority elements are provided in-house, by a new specialist team.
- the council's grounds maintenance service should be offered to the market as a jointly procured contract with EBC.
- the contract length should be 5 years with an option for the council to extend for a further 5 years.
- Current specifications to be rewritten to create a more performance-based output, reflect environmental priorities and make it easier for council officers to manage.
- where appropriate synergies exist, a number of tasks could be delivered by the council's Environment First Team. These opportunities are being explored as part of the specification re-drafting process.

2.2 This proposal will enable and facilitate a range of benefits such as:

- sustainability for grounds maintenance for the benefit of the district and local economy.
- de-risk a range of costs, liabilities and responsibilities for the council.
- enhancements to the biodiversity of the council's public and open spaces in the district.

2.3 GS also made recommendations as follows:

- During the first five year term of the contract, both councils could consider the option of insourcing with key consideration given to the available infrastructure and how this could be expanded.
- Work to commence as soon as possible on producing a specification that identifies priority areas (sustainable planting and rewilding, for example) with defined performance indicators. This will provide bidders with clear expectations and enable the market to respond with a degree of confidence in their pricing.

- An offering to the market of a contract offered at 40% price and 60% quality, can result in proposals from bidders that are more responsive to the council's priorities than a traditional emphasis on cost alone.
- A contract procurement which includes the requirement for bidders to meet the council's bio-diversity and sustainability objectives with sufficient resources to be deployed to meet the contract requirements for quality outputs.
- To undertake (during the procurement process) a public sector comparator to give comfort to the council that prices are in line with the market.

2.4 Decisions will be made acknowledging the council's participation in the Devolution Priority Programme, when those considerations become clear. Arrangements will need to reflect a fast-changing situation and ensure a service fit for the future.

### **3 Supporting Information**

3.1 The consultant noted lack of depot space in the region as being a significant challenge in delivering the service in house or via a LACC/LATCo. All current in-house depots are at full capacity. Given the geographical location of both councils and the distance between them, the option of one central depot is not feasible. For the long-term delivery of services, a purchased purpose-built depot is a key component in the operation.

3.2 Key requirements for a depot facility would include:

- Suitable location.
- Secure facility.
- Workstations for employees.
- Staff welfare facilities, such as shower, kitchen.
- Car parking and vehicle/equipment wash down.
- Storage.
- Fuelling facilities.

Long lead times would apply for the procurement of any depot space.

#### **3.3 Appointment of an external contractor**

The current condition of the grounds maintenance market has been reviewed. The number of companies currently active in the market has reduced in recent years, mainly due to acquisition and mergers and some large multi-service contractors leaving the market. After a period of uncertainty following the pandemic, long lead times and availability of products, the market is now more stable. Prices have stabilised and the "race to the bottom" in pricing has stopped. The differential between public and private sector costs has also reduced considerably.

3.4 A strong procurement process, supported by robust key performance indicators and a clearly defined specification will ensure a serious and viable solution for grounds maintenance services.

3.5 To further this approach, a procurement timeline has been produced (see Appendix 1). The council's Strategic Procurement Manager has recommended pre-market engagement and a two-stage tender process. This ensures that the council has the

ability to cover all considerations as part of the process. The procurement timetable provides confidence that there will be no break in service.

- 3.6 Contract management and investment is required to ensure the success of this approach including closer internal supervision of the resulting contract. This is likely to require additional staff to proactively supervise the contract.
- 3.7 Live tracking (i.e. visibility) of where contractors are working/what has been completed would also be sought as part of the contract. Digital recording that can be monitored will provide factual and quicker information for responding to queries from councillors and members of the public, and for actual contract performance management.
- 3.8 Delivering services through an in-house team
- The consultant also referred to a model whereby the council appoints an external contractor for the majority of core grounds maintenance services but delivers some services via in-house teams, where possible. This is considered a viable option and offers flexibility which, depending on the response from the market, can be considered as part of the way forward. High value or sensitive services delivered in-house would reduce contract costs and potentially lead to complaints being dealt with more effectively.
- 3.9 Along with tasks potentially being delivered by the council's Environment First team, a new specialist in-house service could fulfil the following:
- Minor works.
  - Practical conservation tasks.
  - Health & safety works.
  - Maintaining cemeteries.
- 3.10 This hybrid model may have the following benefits for the council:
- Offsetting of additional risk in service delivery.
  - Opportunities to support a skilled staff group.
  - A degree of resilience in resources for both service providers (the council and the external provider).
  - The possibility of the utilisation of limited depot space that is available.
  - Flexibility for the council to respond to the changing operational context as a result of potential developments with devolution and local government reorganisation.
- 3.11 Officers recommend that the hybrid model is reviewed regularly during the procurement process, to achieve further cost savings where possible and to improve services and efficiencies. The grounds maintenance specification should also be reviewed regularly to support future priorities.
- 3.12 There may be staffing challenges, with the possibility of existing staff being redeployed with the outgoing business and other staff leaving the industry. Recruitment and transfer of staff may not be straightforward. This is an area of risk to keep under review through the mobilisation process.

### 3.13 Town Councils

Currently, idverde delivers some of the grounds maintenance service for Lewes, Newhaven and Seaford Town Councils.

3.14 Discussions with the town councils are in progress, to review options for future grounds maintenance solutions.

## **4 Outcome expected and performance management**

4.1 The service will be supported by a robust specification document, ensuring close supervision of the contract. Digital monitoring of grounds maintenance service, which is a key requirement for this project, will also support streamlined supervision of the contract and ensure priorities can be dealt with quicker through having current and up to date information on the progress of the contract.

4.2 The specification will also provide clarity for residents and manage their expectations regarding the grounds maintenance service across the district.

4.3 It is recommended that the current contract specifications are updated to specify, quantify and performance monitor the works. This could enable a more competitive price, flexibility and enhanced standards and help to ensure the quality service the council seeks.

4.4 Further considerations for the environmental impact will also be considered as part of the rewriting of specifications and any procurement exercise. This meets the needs of the council for its environmental and carbon reduction policies, as follows:

- Using alternative weed control in line with the council's Pesticide Policy and Pollinator Strategy.
- Biodiversity enhancements, including good practice in managing areas set aside for nature.
- Reducing emissions from fleet, machinery and plant and use of more environmentally sustainable fuel.
- Recycling considerations and use of green waste.
- Route and work planning optimisation.
- Meeting carbon reduction targets.
- Recognising the value of green space.

## **5 Consultation**

5.1 Any future solution will take into consideration residents' feedback from the current service and use this to understand their priorities, using their feedback to improve future services.

5.2 Consultations with staff will take place at the appropriate time regarding transfer arrangements and the operational set up of the service.

5.3 Section 20 of the Landlord and Tenant Act 2002 sets out how the council must consult with leaseholders when procuring an alternative solution for grounds maintenance.

## **6 Corporate plan and council policies**

6.1 Tackling the climate crisis and nature emergencies is central to all Lewes District Council activities. The council is committed to supporting measures to help arrest biodiversity losses, restore habitats, reduce pollution, and work for climate resilience to promote healthy and thriving communities with access to green spaces for recreation, enjoyment and mental wellbeing.

This is set out in the Climate and Nature Action Plan 2024:

- Core Aim 1 – net zero and climate resilient council by 2030.
- Core Aim 2 – at least 30% of the district is well managed for nature and protected by 2030.
- Core Aim 3 – the wider district is becoming resilient to climate change and district emissions are reducing.

6.2 Key aspirations will be considered as part of the grounds maintenance specification, this will include:

- Real time digital technology to record performance and aid monitoring.
- Investing in the staff through apprenticeships and Continuing Professional Development, building skills and expertise.
- The work to support pollinators – eg. wildflowers – needs to be seen as proactive management.
- Improvement to signage, for example, communicating with the public about how the council is using the land for nature. Signage such as ‘wildflower area’ to be part of new arrangements.
- Adhering to reduced pesticide and increased pollinator objectives.
- A clear specification that can be shared with the public and clear lines of communication between councillors, officers, and contractor/service.
- Flexibility built in so that the council can adapt it to take on new areas, such as Landport Brooks.
- A review of how nature reserves and similar are managed, for example access management at Castle Hill Nature Reserve.
- Liaison over vandalism and crime.
- Litter picking before a cut or mow.
- Nature-friendly interventions such as “hedgehog highways” and bug hotels in parks and gardens.

6.3 As part of a tender process, prospective contractors would demonstrate social value, this could include, for example, opportunities for apprenticeships.

## **7 Business case and alternative option(s) considered**

7.1 The alternative options considered were the creation of a LACC/LATCo. Also considered was bringing grounds maintenance services entirely in-house via a Direct Service Organisation (DSO). Both options have been considered for Lewes District Council only, and in partnership with EBC. Both options present similar challenges with regards to the volatility of the market, equipment costs, staffing and lack of depot provisions.

- 7.2 A DSO would mean grounds maintenance services being delivered by a newly established grounds maintenance DSO. This would be a standalone service from any other frontline service the council operates, there would be the option to combine the delivery model with a parks management and client function, which may reduce some cost and allow a more integrated service.
- 7.3 Estimated costs suggest for a central depot facility serving both councils (Lewes District Council and EBC) a cost of circa £2.8m and a single service depot for Lewes District Council only could be in excess of £1m. Further to conversations with the council's Property and Asset Manager, it has been confirmed that there is no current available depot space in-house. A recent quote based on depot space requirements of 2,000-2,500 sq. ft would cost around £10-£12 per sq. ft per annum for a rental. GS recommend that the purchase of a depot space would be critical for the futureproofing of alternative solutions.
- 7.4 The challenges associated with the LACC/LATCo and DSO resulted in the Project Board recommending the external contract option.

## 8 Financial appraisal

- 8.1 Members are asked to approve a suitable approach for the future Lewes District Council's grounds maintenance delivery via a joint procurement exercise with EBC. The total value of the existing contract across both authorities is £2.244m per annum, the Lewes District Council element is £1.188m. An options appraisal analysis by the independent consultant focuses on three possible options, transferring the operation of the service to a LACC/LATCo, an in-house provision or re-tendering the contract in the open market.
- 8.2 The provisional costs associated with these options are illustrated below, the largest cost associated with the operation is via a LATCo and the cheapest over a two-year period is the open market option. While the options do not establish the costs of a hybrid approach, it is assumed that the costs will fall within the ranges of costs shown in options 2 and 3. The gross annual total of a joint service arrangement with EBC is estimated to range between £1.994m and £2.372m, however the consultant has suggested that additional, potential savings of up to £0.225m per annum could be achieved through a continued joint approach, which would be explored through the market procurement process.

Lewes	Year 1	Year 2	Eastbourne	Year 1	Year 2	Total Cost	Year 1	Year 2
Option 1 - LATCo	£1,578,251	£1,214,025	Option 1 - LATCo	£1,391,813	£1,158,098	Option 1 - LATCo	£2,970,064	£2,372,123
Option 2 - DSO	£1,187,930	£1,181,430	Option 2 - DSO	£1,240,791	£1,224,291	Option 2 - DSO	£2,428,721	£2,405,721
Option 3 - External	£1,229,231	£969,687	Option 3 - External	£1,293,891	£1,024,484	Option 3 - External	£2,523,122	£1,994,171

- 8.3 It should also be noted that the first two options will require services to be operated from premises that are not yet acquired, and it is estimated by the consultant that would result in additional capital expenditure of £1.030m for a single service depot and £2.840m for a multi-service depot. Annual capital financings costs would range from £0.097m to £0.267m if funded via borrowing. Alternatively, rental of similar sites would range from £0.041m to £0.113m per annum. A joint approach would mean these costs are shared between the two councils.



Depot Costs	Capital Costs	Annual Capital Financing Cost Estimates		
		MRP	Annual Interest Costs	Total
Single Service Depot	£1,030,000	£45,000	£51,500	£96,500
Multi-Site Depot	£2,840,000	£125,000	£142,000	£267,000

8.4 The cost of the existing grounds maintenance contract forms part of the wider cost that Lewes District Council charges to town councils for the maintenance of their parks and open spaces in the form of Special Expenses. Further analysis will be required to establish the impact of the agreed option, once this is known.

## 9 Legal implications

9.1 Local Government Act 1972 and Local Cemeteries Order 1977 sets out the council's statutory duty to manage cemeteries.

9.2 Section 20 of the Landlord and Tenant Act 2002 confirms that the council must consult with leaseholders when procuring an alternative solution for grounds maintenance.

9.3 The Procurement Act 2023 (which came into effect in February 2022) governs the way public bodies buy services. Advice should be sought from the council's Strategic Procurement Manager and Legal Services to ensure a compliant procurement takes place. Consultation with Head of Legal Service and Strategic Procurement Manager is essential prior to any award(s) being made.

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## 10 Risk management implications

10.1 The following risks and mitigations have been captured as part of this report:

Risk description	Likelihood	Mitigation
Reduction in service standards for the final year of current contract	3	Tight contract management with current supplier
Solution not procured in time	1	Strong project management to ensure the timelines can be maintained
Complications for mobilisation	5	Mobilisation plan in procurement phase
Project resource unavailability	4	Use of the Project Management Toolkit
Communications to public	2	Well-managed communications plan
Not completing the specification and plans due to in-house capacity	5	External support to support officers
Outsourcing costs could be unaffordable	4	Budget allocations and working with Finance, and other support services, in-house collaboration

Devolution and Local Government Reorganisation impact on service delivery	5	This mitigation will be updated once more is known
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10.2 Subject to approval by Cabinet, an implementation project will be set up and will follow the council's Project Management Toolkit. A Risk Log, which will be reviewed, updated and discussed regularly with the Grounds Maintenance Project Board and Project Team, will be delivered as part of the project.

## 11 Equality analysis

11.1 The identified management option may have an impact on multiple stakeholders including tenants, leaseholders, residents and visitors.

11.2 An Equality & Fairness Analysis is underway to identify potential impacts on protected groups, as well as socio-economic factors.

11.3 Disability (impeding clear passage for people with mobility issues and/or vision impairments) and Sex (women and girls may feel less safe when journeying through parks which may be overgrown) are the protected groups most likely to be impacted if an appropriate management option isn't identified. Additionally, rough sleepers who might pass nights in parks and households who rely on local green spaces for outdoor exercise and enjoyment necessitate that these considerations are built into any new arrangements.

## 12 Environmental sustainability implications

12.1 The changes to the grounds maintenance solution will comply with the council's environmental objectives within the Climate and Nature Strategy 2024.

12.2 Future arrangements for the grounds maintenance service will help the council address the climate and ecological emergency. For example, by increasing areas dedicated to nature restoration within parks and green spaces.

## 13 Contribution to Community Wealth Building

13.1 Regarding the appointment of an external service provider for the core grounds maintenance service, officers will consider how the supply can benefit the local community and their enjoyment of the council's outdoor spaces. For example, whether contract provider(s) can provide local jobs, use local suppliers and can increase flows of investment within local economies. This will be embedded into the procurement process through their social value commitments included in their tender submission.

## 14 Appendices

- Appendix 1 – Procurement Timeline

**Background papers**

- Grounds Solutions – Grounds Maintenance Options Appraisal