

MUNICIPAL YEAR 2015/2016 REPORT NO. RE 15.152

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:
Director – Regeneration
and Environment

Agenda – Part: 1	KD Num: 4318
Subject: Approval of cemeteries ground maintenance contract extension	
Wards: All	

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1. EXECUTIVE SUMMARY

- 1.1 The Cemeteries Grounds Maintenance and Grave Digging contract was let in October 2011 for five years, with an option to extend for a further 2 years to September 2018.
- 1.2 The existing contractor, following negotiation, has proposed an increase of 5% for the option of a two year extension
- 1.3 The contract supports a high profile and sensitive service area which generates significant income for the council. The recommendation is to extend the contract as the proposal enables best value and has minimal risk for the council over the next 2 years.

2. RECOMMENDATIONS

- 2.1 Ground Control Ltd (formerly Vale Contract Services Ltd) be awarded a two year contract extension as detailed in section 4.1 – 4.5

3. BACKGROUND

- 3.1 The Cemeteries Grounds Maintenance & Grave Digging Contract was let in 2011 to Vale Contract Services Ltd for five years. The Contract commenced on 1 October 2011, expires on 30 September 2016 and includes an option to extend for up to a further two years.
- 3.2 Following the acquisition of Vale Contract Services by Ground Control Ltd a Deed of Novation was signed on 17 April 2013 with Ground Control. This included the sub-contractor's warranty agreement in place with Scott Landscape Services who carry out the cemetery operations on behalf of Ground Control.
- 3.3 The contract covers five cemeteries within the Borough at:
- Edmonton
 - Lavender Hill
 - Strayfield Road
 - Southgate
 - Hertford Road
- 3.4 The Cemetery service currently provides over 500 interments per annum, mostly at the Edmonton and Strayfield Road sites.
- 3.5 There are four elements to the contract:
- Scheduled Grounds Maintenance, including cleaning of chapels and offices.
 - Burials paid according to the Schedule of Rates
 - Other Schedule of Rates work such as leaf clearing, weed control, reinstatement works and supply and installation of memorial bases, etc.
 - Other additional works.
- 3.6 During the contract Ground Control have delivered quality services to customers and worked with the client to develop efficiencies such as the implementation of an online monitoring system enabling officers to track progress on burial preparations remotely.
- 3.7 Outside of this contract the Council is developing additional cemetery services such as Vaulted Graves and Mausolea which have to date proved popular. Ground Control have integrated their work with that of the new service provider and enabled a seamless introduction of these additional products.

4.0 PROPOSAL

- 4.1 See part two report

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 To carry out a full tender process in accordance with CPRs and EU Procurement rules. This would be unlikely to provide any financial benefit as demonstrated by the RPI and analysis of Consortium Procurement Grounds Maintenance framework. The tender process would also require significant officer time and resource which is not currently available within the service and so would need to be provided externally or by reducing resource, and therefore outputs, from other areas.
- 5.2 Cease providing the service. The Council would remain responsible for maintaining the cemeteries even if new burials did not take place. If new burials ceased then the costs of maintenance could not be offset by the income generated and would result in a significant financial pressure upon the council.
- 5.3 Bringing the service in house. This could be possible for some of the grounds maintenance areas of the contract however the burials work is highly specialised and is therefore best undertaken by suitably qualified contractors. Having all the work on site done by one contractor enables effective scheduling of tasks to prevent conflict and disruption to burials.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 Extending the contract for two years provides the following benefits:

- Value for money for the council (See part 2 report).
- Continued high quality services in a sensitive working environment
- Low risk of service failure
- Saving in procurement costs
- Continued service developments and improvement

7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

7.1 Financial Implications

See part 2 report

7.2 Legal Implications

- 7.2.1 The Council is a burial authority by virtue of section 214 of the Local Government Act 1972, and has the power to provide and maintain cemeteries inside or outside its area.

- 7.2.2 The Council has the power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do provided it is not

prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. In addition, section 111 of the Local Government Act 1972 provides the Council with a general power to enter into contracts for the discharge of any of its functions.

- 7.2.3 The Council must ensure that it complies at all times with the Council's Constitution, in particular the Contract Procedure Rules ("CPRs"), and the EU general principles of equality, transparency, proportionality and non-discrimination. In extending the existing maintenance contract, the Council must ensure it complies with the provisions of CPR rule 9.1.6 especially and meets each of the conditions specified; these include putting in place the appropriate authority/ approval in accordance with the Council's scheme of delegation. As the value of the 2 year contract extension exceeds £250,000, the Council must ensure it complies with the Council's Key Decision procedure.
- 7.2.4 The proposed extension of contract must be effected in accordance with the extension terms prescribed in the cemeteries maintenance contract. The contract extension agreement must also be in a form approved by the Assistant Director of Legal Services and Governance, in advance of the start date for the extended services; this must be signed and completed before expiry of the existing maintenance contract on 30th September 2016.
- 7.2.5 The terms of the existing maintenance contract mentioned in this report make it implicit that if the 2 year extension option is taken up the Council will grant a 2 year lease of any premises necessary to perform the contract. In order to avoid security of tenure under the Landlord and Tenant Act 1954, any lease granted will need to be 'contracted out' of the security provisions.

7.3 Property Implications

- 7.3.1 The Property Procedure Rules govern the use of all property owned or controlled by the Council and must be adhered to in all transactions.
- 7.3.2 The use of all current or any additional use of property must be correctly documented with agreed terms and conditions in accordance with these rules.
- 7.3.3 It is expected that the term of any lease granted will run coterminous with the 2 year contract extension and be contracted outside of the security provisions of the Landlord & Tenant Act 1954.

8. KEY RISKS

- 8.1 **Contract Extension not market tested for best value for money.** A 5% increase in the value of the extension proposal submitted by

Ground Control has been benchmarked and compares favourably with existing frameworks.

- 8.2 **Once awarded the extension the contractor may not be incentivised to deliver.** All existing contract controls will remain, cemetery staff will continue with contract management processes including regular contract meetings and site supervision.

9. IMPACT ON COUNCIL PRIORITIES

9.1 Fairness for All

- 9.1.1 Cemeteries provide a service for a diverse range of ethnic groups and faiths. Existing contractor understands and has experience managing this.

- 9.1.2 Cemeteries are fully accessible to all members of the public.

9.2 Growth and Sustainability

- 9.2.1 Ground Control provides employment for local people, have an apprenticeship scheme in place and are Investors in People certified.

9.3 Strong Communities

None

10 EQUALITY IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report to extend a maintenance contract

11 PERFORMANCE MANAGEMENT IMPLICATIONS

- 11.1 Monthly contract review and weekly meetings are held with Ground Control. Management information including KPIs is submitted and confirmed by cemeteries management prior to meetings.
- 11.2 Relevant regulatory documentation is held and checked by cemeteries management.

- 11.3 Cemetery staff oversee work on site and are required to attend at all burials ensuring work is carried out in accordance with the specification.

12 HEALTH AND SAFETY IMPLICATIONS

- 12.1 Ground Control Health and Safety Policy documents are up to date and monitored through Management meetings
- 12.2 Regular management audits of contract and Cemeteries are carried out
- 12.3 Registered by NQA for OHSAS 18001.

13. PUBLIC HEALTH IMPLICATIONS

- 13.1 None.

Background Papers

None