

Decision Maker: ENVIRONMENT AND COMMUNITY SERVICES POLICY
DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Thursday 7 September 2023

Decision Type: Non-Urgent Non-Executive Non-Key

Title: GLENDALE ANNUAL CONTRACT PERFORMANCE REPORT
2022/23 – ARBORICULTURAL SERVICES

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Chief Officer: Director of Environment and Public Protection

Ward: All

1. Reason for decision/report and options

- 1.1 This report reviews the 2022/23 annual performance of the contract for arboricultural services with Glendale Ltd.
- 1.2 An annual contract performance report meets the requirement of section 23 of the Council's Contract Procedure Rules (CPRs) for contracts with an estimated annual value that exceeds £500k.

2. **RECOMMENDATION(S)**

- 2.1 The Environment & Community Services Policy Development & Scrutiny Committee are asked to review the annual contract performance of Glendale.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Well managed trees are proven to provide health benefits which are further set out in the Tree Management Strategy.
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Transformation Policy

1. Policy Status: Existing Policy: Tree Management Strategy
2. Making Bromley Even Better Priority:

(4) For residents to live responsibly and prosper in a safe, clean, and green environment great for today and a sustainable future.

(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Arboricultural Services
 4. Total current budget for this head: £814k
 5. Source of funding: Existing controllable revenue budget for 2023/24.
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Personnel

1. Number of staff (*current and additional*): 7 FTE
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Not Applicable: For information
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Procurement

1. Summary of Procurement Implications: N/A
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Property

1. Summary of Property Implications: N/A
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: N/A
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Impact on the Local Economy

1. Summary of Local Economy Implications: The economic benefits that well managed trees provide are set out in the Council's Tree Management Strategy
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Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Well managed trees are proven to provide health benefits which are further set out in the Tree Management Strategy.
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Customer Impact

1. Estimated number of users or customers: All those who live, work, and visit in the borough.

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.0 Glendale Ltd have been operating the contract for arboricultural services from 1st April 2019 and are contracted for a period of 8 years, with the option to extend for 4+4 years (**ES18077**).
- 3.1 The purpose of the contract is to provide services to maintain the Council's tree stock which comprises of approximately 60,412 registered street, park and maintained school trees. Additionally, the Council manages the trees on 552 hectares of publicly owned woodland and conservation sites.
- 3.2 Tree works are identified and instructed by the Council's tree officers through a triennial programme of inspections and in accordance with the adopted Tree Management Strategy. Jobs are also raised through the emergency call out process which is administered by the Service Provider.
- 3.3 This contract supports the delivery of Council priorities identified in its Corporate Strategy: Making Bromley Even Better, and the Tree Management Strategy 2023 – 2027.

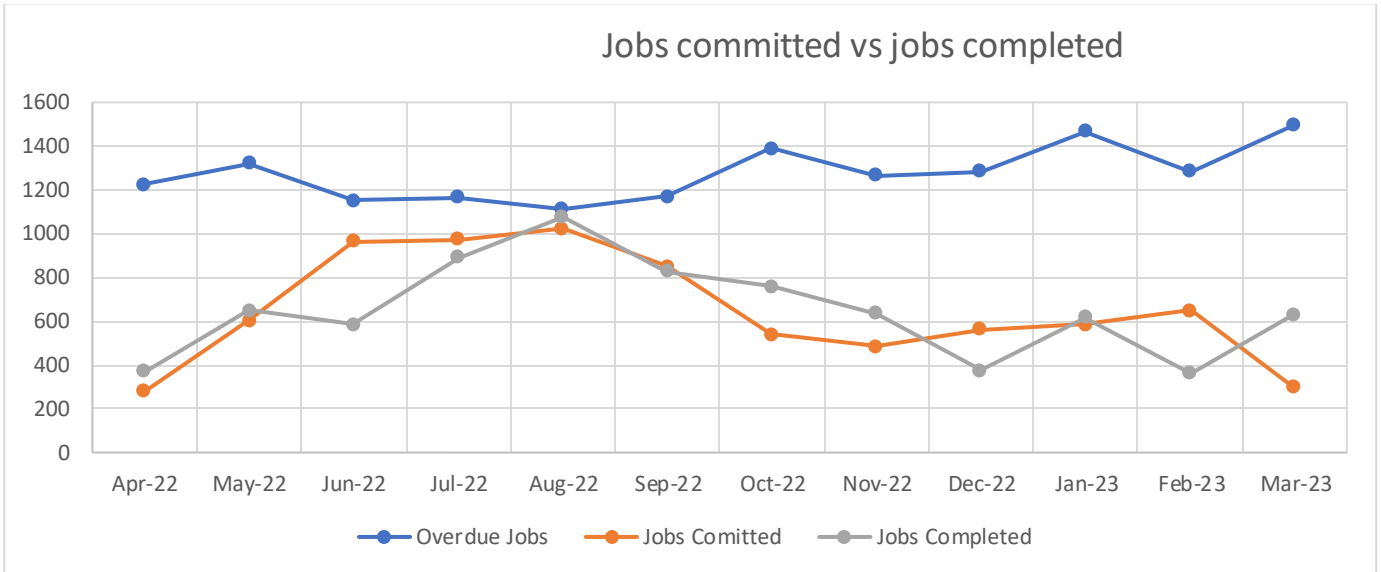
Contract Management and Governance

- 3.4 The contract is managed by the Arboriculture Team in the Carbon Management and Greenspace division.
- 3.5 Contract performance is scrutinised in accordance with the Council's Contract Procedure Rules (CPRs) and is managed through a governance model set out in Schedules 4 and 11 of the contract, making use of a Performance Management Framework (PMF). The PMF comprises of 9 Key Service Objectives (KSOs), which break down into 25 Key Performance Indicators, and (KPIs) which were established prior to contract commencement. Key Service Objectives include:
- KSOs 1 – 4 which are monitored monthly and relate to works completed and enquiry management.
 - KSO 5 which relates to operational delivery including waste disposal.
 - KSO 6 which relates to operational reporting.
 - KSO 7 which covers service plans and operational programmes, and specifically business continuity and emergency planning.
 - KSO 8 which covered financial performance and administration.
 - KSO 9 relating to health and safety and personnel management.
- 3.6 Performance is reviewed and monitored at a monthly Service Operations Board (SOB) meeting. This includes reviewing performance in relation to the PMF, considering relevant financial information, health and safety reports and the contract risk register, as well as discussing resolution for operational issues.
- 3.7 A Strategic Partnership Board (SPB) including senior managers at the Council and Glendale meets at least bi-annually to oversee the strategic management of the contract.
- 3.8 This report summarises performance levels for each of the KSOs across the year four of the contract (between April 2022 and March 2023).

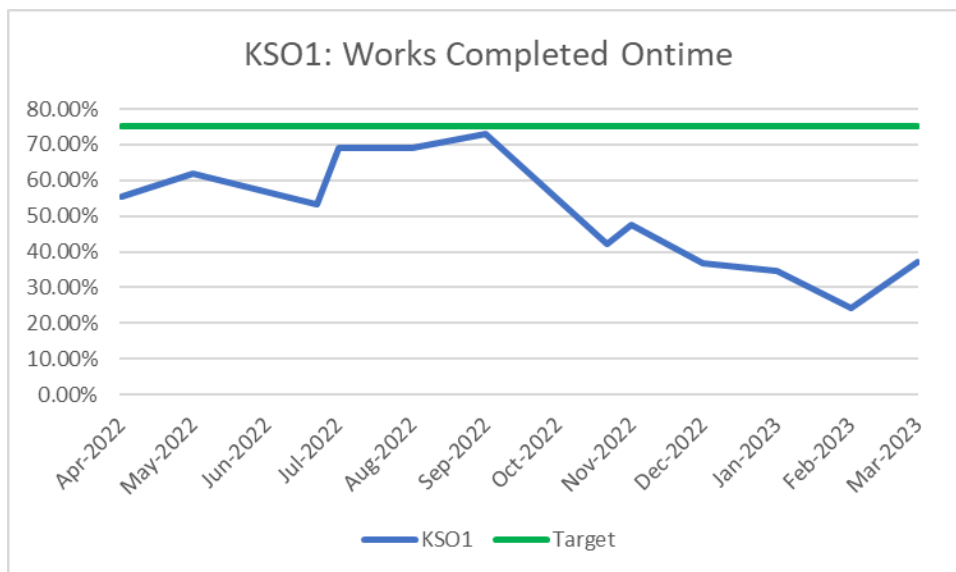
Contract Performance: KSOs 1-3

3.9 There have been significant issues with performance in relation to the completion of jobs, with further information relating to this provided in a Part 2 report to the previous meeting of this committee (**ES20282**). In summary, Glendale have not been meeting the minimum target values for KSOs 1-3, which has resulted in the accumulation of a back log of overdue works.

3.10 The number of jobs that have been instructed under the contract has been higher than in previous years as progress has been made against the triennial inspection programme. The graph below shows the number of jobs committed against the number of jobs completed during 2022/23. This shows that completion rates have failed to keep up works instructed and how this has impacted on the backlog of overdue works, which has grown during the year:



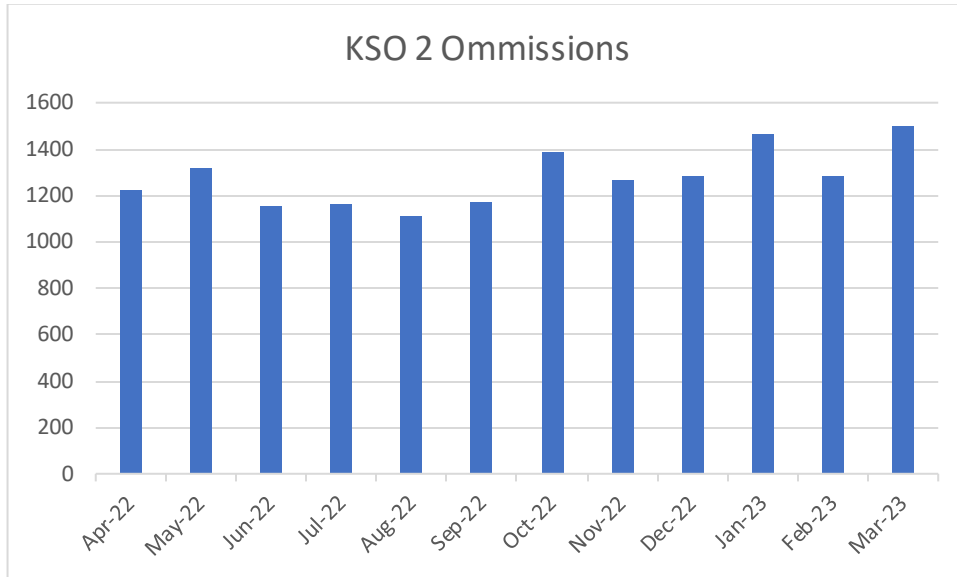
3.11 KSO1 measures the number of works completed within the contractually agreed and assigned timescale. Once works become overdue, they are raised as omissions under KSO2, therefore this data does not include historic overdue works. The graph below shows the performance between April 2022 and March 2023, against the minimum performance target of 75%:



3.12 The number of works completed on time has failed to meet the minimum performance target during the contract year 2022/23, with performance averaging 50%. The contractual threshold for a Corrective Action Plan was triggered in November 2022 with the plan agreed with an end

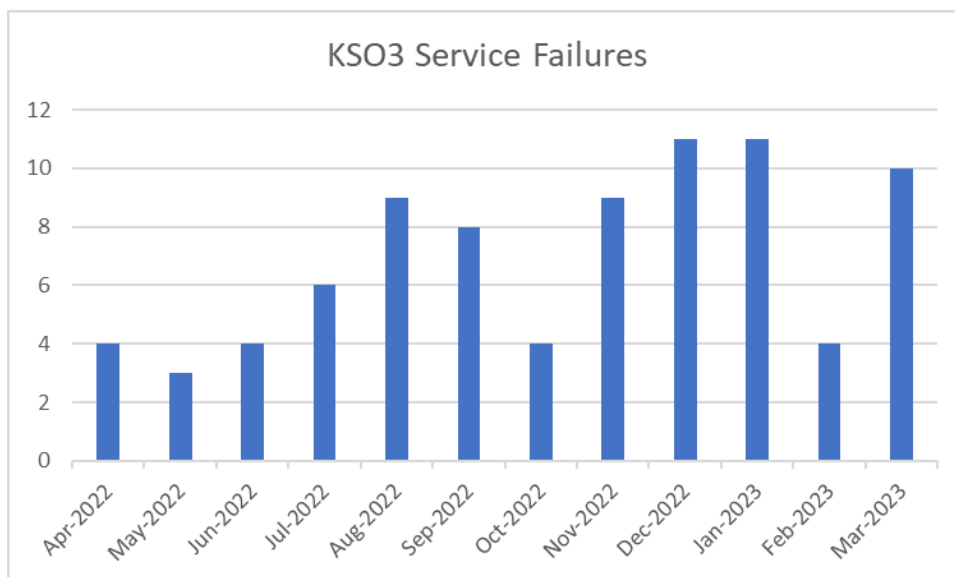
date of February 2023, however performance had not recovered by this date, with the lowest completion rate reported for the year at 24.25%. It should be noted that the Council only pays for works that have been completed.

3.13 KSO2 measures omissions, which includes overdue jobs not completed with the contractually agreed timescales or works not completed to specification. The performance target for omissions is 0. The performance data below shows a high volume of overdue jobs, with omissions averaging 1277 jobs across the contractual year.



3.14 The number of overdue works has failed to reduce, despite a Corrective Action Plan being triggered in August 2023 following the end of the application of an Excusing Cause period which had been agreed to facilitate recovery following Storm Eunice.

3.15 KSO 3 measures Service Failures, which are defined as issues requiring urgent redress and includes works not completed to specification that cannot be rectified, failures to attend an emergency call out in the contractual period or omissions that are not redressed within the agreed reconciliation period. The performance target for Service Failures is 0. The performance data below does not include the overdue jobs which have been managed under KSO2:



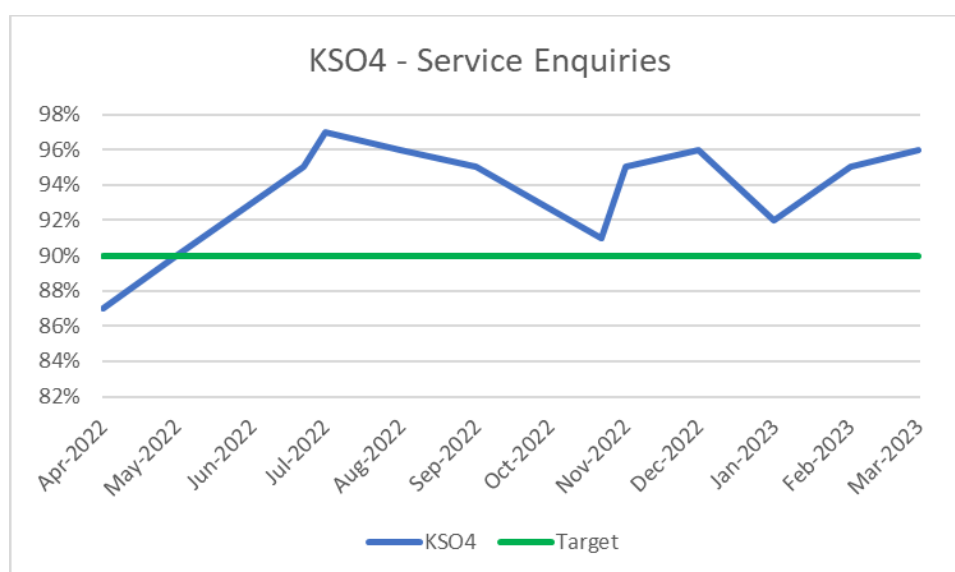
3.16 Further information on the Corrective Action Plans, and delivery against these plans, was provided in the Part 2 report scrutinised by this committee in June 2023 (**ES20282**).

3.17 For the reasons set out in the same report, the Executive agreed that additional suppliers should be procured to supplement the arrangements provided through the contract with Glendale Ltd, both to clear the existing backlog of overdue jobs and to provide additional resilience to undertake works on a regular and ongoing basis. This was considered necessary to ensure that all works identified through the inspection programme and call out process are completed within a reasonable period to manage risk.

3.18 Through the Strategic Partnership Board, Glendale have also agreed to produce a Service Improvement Plan with a view to building their capacity to be able to manage a higher volume of works in future years, through additional recruitment and investment in training and development.

Contract Performance: KSOs 4-9

3.19 KSO 4 measures performance in relation to the management of enquiries in accordance with contractual service levels.



3.20 Performance on the management of service enquiries by the contractor has been above target, except for in April 2023. Officers have worked with Glendale to improve performance in this area and to manage resolution of customer enquiries where these have been delayed by the performance issues reported in relation to KSOs 1-3.

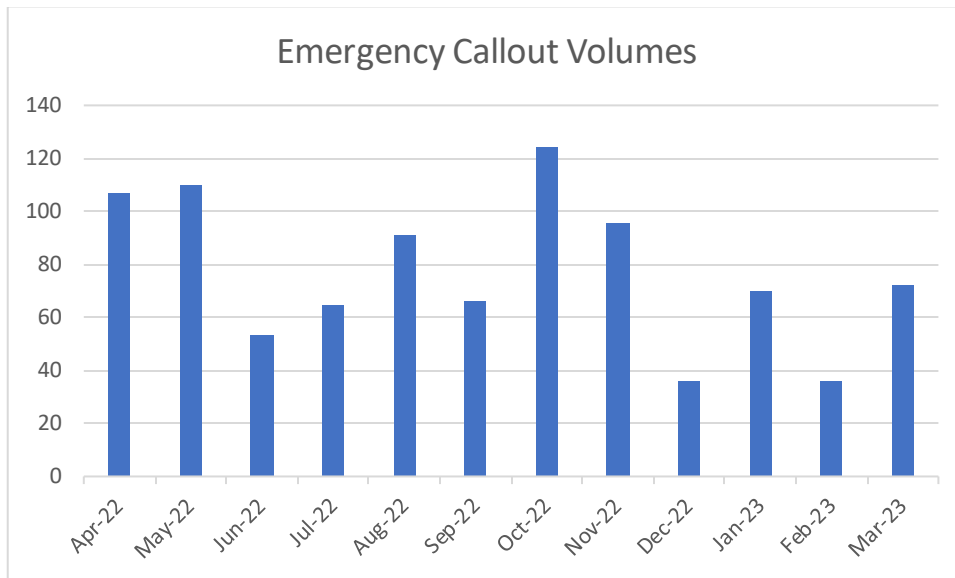
3.21 KSOs 5-9 are reported by exception or occurrence. During 2022/23 there was one occurrence against KSO6 where there was a failure to report damage caused to a property during operations which resulted in the application of a Performance Adjusted Value (PAV) under the terms of the contract.

Contract Performance: Emergency Callouts

3.22 Emergency callouts are fully managed by Glendale unless there is a major storm event where the Council steps in to coordinate an emergency response. Contractually, Glendale Ltd are required to attend emergency call outs within the following times:

0830 - 1730	Within one hour
1730 - 0830	Within two hours

3.23 The volume of emergency call outs received in 2022/23 is presented in the graph below:



3.24 According to the data reported under the Performance Management Framework, performance in relation to emergency call outs was acceptable, with callouts being attended within the targeted timeframes. However, performance data in this area is currently under review.

Contract Management Personnel

3.25 It is worth noting that there were several changes to the Service Provider’s Key Personnel during 2022/23 and the early months of 2023/24, with new appointments being made to the following positions at Glendale:

- Regional Director
- Contract Director
- Contract Manager
- Performance Management/Data Compliance Officer
- Quality, Health, Safety & Environmental (QHSE) Officer

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 There are several health benefits associated with trees as referred to in section 10, and which are of particular importance to those adults and young people suffering with poor mental health and respiratory illness. Research indicates that spending time around trees reduces depression and anxiety, especially when combined with exercise.

5. TRANSFORMATION/POLICY IMPLICATIONS

5.1 The arboricultural services contracted by the Council support the delivery of the ambitions within the Corporate Strategy: Making Bromley Even Better, with the most direct impact on ambition 4 – for residents to live responsibly and prosper in a safe, clean, and green environment, great for today and sustainable for the future. These services also deliver works in accordance with the Tree Management Strategy 2023 – 2027.

6. FINANCIAL IMPLICATIONS

6.0 There are no direct financial implications from this report, members are asked to review Glendale’s annual performance and approve the report.

- 6.1 There are however indirect financial implications from poor performance or management of any contract across the council, it is therefore critical to review performance and ensure KPI's are being met and our contractors being held accountable for their performance against them.
- 6.2 The 2022/23 projected outturn for Arboricultural Services was reported to this committee on 29th June 2023, with an overspend of £379k reported against the service budget of £772k. Further details are set out in that report (**FSD23040**).

7. LEGAL IMPLICATIONS

- 7.1 This Committee is requested to review this report on the annual performance of Glendale Ltd in relation to its contract for the provision of arboricultural services.
- 7.2 The Council's constitution, at Part 4 – Rules of Procedure, provides the terms of reference for the Environment & Community Services Policy Development and Scrutiny Committee as it relates to the Environment and Community Services Portfolio. Under these terms of reference, this Committee is responsible for receiving reports and making recommendations on performance monitoring of services falling within the remit of this portfolio.
- 7.3 Contract Procedure Rule (CPR) 23.2 provides that for all Contracts with a value higher than £500,000, or which are High Risk, an annual report must be submitted to the Portfolio Holder, the responsible Officers having submitted for consideration a formal Gateway Review, covering as appropriate, the matters identified in the Council's Standard Gateway Review template for consideration as part of Contract Monitoring/Management requirements.

8. PROCUREMENT IMPLICATIONS

- 8.1 In line with 23.2 of the Council's Contract Procedure Rules, an annual report must be submitted to the Portfolio Holder for all contracts with a value higher than £500k.

9. IMPACT ON THE LOCAL ECONOMY

- 9.1 The economic benefits that well managed trees provide are set out in the Council's Tree Management Strategy.

10. IMPACT ON HEALTH AND WELLBEING

- 10.1 Maintenance decisions in relation to the Council's tree stock are taken to comply with the policies set out in the Tree Management Strategy. These policies are set in the context of the benefits that trees provide to residents' health and wellbeing and prioritise public safety.

Non-Applicable Headings:	Personnel Implications, Property Implications, Carbon Reduction and Social Value Implications, Customer Impact, Ward Councillor Views
Background Documents: (Access via Contact Officer)	ES18077 - Award of Contract for Arboricultural Services Tree Management Strategy 2023 – 2027 ES20282 - Delivery of Arboricultural Services (Part 1 and 2) FSD23040 – Provisional Outturn 2022/23