

Agenda Item No:	11	
Committee:	Cabinet	
Date:	26 January 2026	
Report Title:	Grounds Maintenance Contract – 1 year extension	

This item comprises EXEMPT INFORMATION within Appendix 1 which is not for publication by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

1 Purpose / Summary

- 1.0 The current 10-year Grounds Maintenance (GM) contract with Tivoli expired on 31 October 2025. Following legal advice and Cabinet's decision of January 2025, a 1-year extension was added to the contract as this provided best value to the Council. The contracted cost is approximately £681,148 p.a.
- 1.1 It is now time to revisit the contract and plan for the end of the current extended contract on 31 October 2026.

2 Key Issues

- 2.0 In January 2024, Cabinet considered an assessment of the costs and implications of various options for this contract including going to the market for a longer-term contract, bringing the contract in-house or partnering with another Council. All options added cost to the contract compared with an extension year therefore Cabinet opted to extend for 1 year which extended the contract expiry date to 31st October 2026.
- 2.1 Local Government Reorganisation (LGR) has changed the landscape regarding this contract. Going forward, FDC needs to be working with our future LGR partners in terms of all significant contracts. However, as the make-up of any future unitary authority remains uncertain, putting an arrangement in place with LGR partners currently is not a possibility.
- 2.2 Members were generally aware that LGR was an emerging Government policy due to the publication of a White Paper in December 2024. However, 12 months on, the LGR process is much further developed, and we await the statutory consultation on the 4 options submitted to government, with future timescales of the abolition of FDC defined.
- 2.3 There is an ongoing need for the service and Fenland District Council must continue to meet its best value duty. Consequently, and given that the previous assessment identified that each alternative option would result in a cost increase, officers have focused on establishing whether a further extension (of either 1 or 2 years) would be financially viable and legally compliant.

- 2.4 This Report and the exempt Annex sets out the current position in relation to that option which presents as the most effective at this time. However, officers are still in the process of obtaining confirmation from the previous adviser that the best value considerations remain the same for the period 2026/27 and 2027/28. The recommendations set out in this report are contingent upon this confirmation being received.
- 2.5 Once FDC's LGR partners have been determined by central Government in late summer 2026, consideration of the arrangements from 1 November 2027 may then be approached, with a view to a collaborative contract across unitary partners, subject to their current arrangements allowing this approach.

3 Recommendations

It is recommended that Cabinet considers the content of this Report and the Exempt Appendix and:

- 3.0 determines whether to authorise officers to enter into negotiations to extend the existing contract and, if that is agreed, to confirm whether that extension should be for a period of 1 or 2 years (subject to the best value requirements being confirmed)
- 3.1 that subject to the extension being agreed, delegates authority to the Portfolio Holders for Finance and Grounds Maintenance to approve the final proposals arrived at during course of the negotiations as set out in Exempt Appendix 1; and
- 3.2 requests that if an appropriate best value outcome cannot be achieved via the negotiations, that officers should report back to Cabinet with a full and updated assessment of all the remaining options available for determination; and
- 3.3 authorises the Monitoring Officer to execute and complete all requisite legal documentation in relation to the matters outlined above.

Wards Affected	All	
Forward Reference	Plan	KEY/22DEC25/02
Portfolio Holders	Cllr Jan French Cllr Chris Boden	Portfolio Holder for Open Spaces Leader and Portfolio Holder for Finance
Report Originators and contact officers	Phil Hughes Carol Pilson	Head of Leisure Services Corporate Director and Monitoring Officer
Background Papers	January 2025	Cabinet Report regarding Grounds Maintenance contract

4 Reasons for Exemption

- 4.1 This item comprises exempt information within Appendix 1 which is not for publication by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1927 (as amended) in that it contains information about the financial and business affairs of Fenland District Council and a 3rd party organisation (to include negotiation strategies) as well as legal advice concerning the Council's options and obligations in relation to the proposed extension of the contract. The public interest test has been applied, and it is considered that to achieve best value and for members to take an informed decision in relation to this matter that the public interest is best served in maintaining the exemption rather than publicising and openly debating the information contained within Appendix 1.

BACKGROUND AND INTENDED OUTCOMES

5 Summary

- 5.0 Previously a detailed assessment of the costs and implications of going to the market for a longer-term contract or bringing the contract in-house or partnering with another Council was undertaken. At the time, all options were expected to add cost to the contract compared with an extension. This information may be found in the Cabinet report from [27 January 2025](#).
- 5.1 With the contract now due to expire on 31st October 2026, the information previously obtained has been reviewed with the intention of establishing which of the options previously considered, including a further extension, represents the best value outcome going forward. It has been concluded that the outcome of the previous assessment most likely remains largely unchanged and that a further extension (subject to the outcome of the negotiations) will remain the best value option also taking into account the impact of Local Government Reform (LGR) however, confirmation is being sought from the original adviser, and the recommendations are contingent upon this being agreed.
- 5.2 LGR has changed the landscape regarding this contract, where going forward, FDC needs to be working with our future LGR partners in terms of all significant contracts. However, as the make-up of any future unitary authority remains uncertain, putting an arrangement in place currently is not a possibility.
- 5.3 Once FDC's LGR partners have been determined by central Government in late summer 2026, consideration of the arrangements from 1 November 2027 may then be approached, with a view to a collaborative contract across unitary partners, subject to their current contract arrangements allowing for it.

6 Maintaining the current GM specification

- 6.0 A reduction in specification was made as part of the current 1-year extension negotiation to keep any contract price rise to a minimum. That being the case, any further changes to the contract specification for this additional proposed 1-year to November 2027 or 2-year extension to November 2028 must be kept to a minimum to maintain quality within the open spaces in Fenland. As a highly visible service, any change must be assessed carefully to ensure that there is as little impact on the service that residents receive as possible. This will comprise part of the negotiation process.

- 6.1 Should the negotiations result in additional impacts, this report recommends that they are referred to the Portfolio Holder for Open Spaces and Portfolio holder for Finance for determination.

7 CONSULTATION

- 7.0 N/A.

8 ALTERNATIVE OPTIONS CONSIDERED

- 8.0 Due to the current situation regarding LGR, and the previous review of the Grounds Maintenance contract, the option of a 1- or 2-year extension provides a short-term solution which will then give the Council freedom to work with LGR partners on the approach to Ground Maintenance once partners have been determined by Central Government. It also seems to represent the best value option subject to final negotiations confirming the suggested terms. If this approach is not preferred, the options previously assessed will be revisited and a further Report presented to Cabinet however, all options will result in an increase in cost and/or potential decrease in service.

9 IMPLICATIONS

9.0 Legal Implications

Fenland District Council has taken appropriate legal advice in ensuring that the recommendations set out within this Report provide members with a compliant basis upon which to reach their decision. The detail of that advice and the Council's negotiation strategy is set out in Exempt Appendix 1.

Financial Implications

- 9.1 As detailed, the current contract is being delivered at market value and costs approximately £681,148 p.a.
- 9.2 Negotiations regarding an additional 1-year extension are underway with more detail later in the report.
- 9.3 Should the need to reduce the specification to keep costs low arise, consultations on the balance between quality and cost will be undertaken with the Portfolio Holder for Open Spaces and Portfolio holder for Finance to determine the Council's appetite for any further specification reductions.
- 9.4 If negotiations cannot be satisfactorily resolved within existing budgetary thresholds and/or for the purpose of achieving best value, a further Report will be presented to Cabinet for consideration.

Equality Implications

- 9.5 There are no specific equality implications connected with the recommendations set out in this Report.