

14. Future Parks Maintenance Service Provision Options

Reference / Te Tohutoro: 23/911962

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Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.
Plain English Reason:	The report contains confidential costs analysis information. Disclosure of this material would significantly impact Council's commercial position.
Report can be released:	Post decision. Report release is scheduled to be by the end of September 2023.

1. Nature of Decision or Issue and Report Origin

- 1.1 To determine the preferred methodology for delivery of parks maintenance services.
- 1.2 This report is staff generated.
- 1.3 The decisions in this report are of medium significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by considering the number of people affected, the likely cost risks, whether the decision can be easily reversed and the impact on functionality of a strategic asset.
- 1.4 The primary purpose of the report is to further inform the council of the operational cost risks associated to the ongoing provision of maintenance services for the Community Parks portfolio across the city and options to mitigate these risks.
- 1.5 Staff briefed the Council on the 16th of May 2023 on four possible options for ongoing maintenance service for community parks post the expiry of the current contracted service on the 30th of June 2024. Four options were presented:
 - Continuation of the current hybrid model which is predominant service provided by contracted services and specialist services by internal staff teams.
 - An increase in services by internal teams including sports field provision and general parks maintenance services. Amenity mowing would remain under contract.

- Full-service provision via in house service provision.
 - Revert to full commercially contracted service provision.
- 1.6 The briefing focused on historical performance over the contract term (8 years to date, 1 remaining) and the Opex cost risk associated with all options, that would need to be considered as part of the 2024-34 Long Term Plan.
- 1.7 Cost risks were assessed following an independent report on the likely cost of the same services provided under contract with updated unit rates for each activity (report attached).
- 1.8 The briefing focused on variable cost avoidance opportunities for each option tabled, for the 2024-34 Long Term Plan period.
- 1.9 Council advised staff that it wished to see more detail associated to two of the options in particular:
- An increase in services by internal teams (sports field provision) with general parks maintenance, including refuse management, amenity mowing and horticultural services.
 - Full-service provision via in house service provision.
 - The option for continuing with the current service model is provided as a baseline for comparison of the two options.
 - The fourth option is not provided within this report due to the identified costs associated with this approach, which would include, [REDACTED] Council signalled at the briefing that they did not wish to pursue this option.



2. Officer Recommendations Ngā Tūtohu

That the Council

1. agrees to implement general parks maintenance services through internally resourced teams, effective from the 1st of July 2024, noting the rates increase avoidance detailed within this report.
2. agrees that each community board area shall have a dedicated team exclusively responsible for the maintenance of parks within their respective areas. Resource allocation for these teams shall be based on the asset volumes present in each area, to enable adequate and tailored service provision.
3. acknowledges the importance of monitoring and reporting performance against established standards of service delivery. To ensure transparency and accuracy, the Council shall engage independent auditing services for the purpose of monitoring and reporting on performance.
4. recognises the specialised nature of tree maintenance and Sexton services. Accordingly, the Council confirms that such services will continue to be delivered through commercially contracted providers, ensuring the availability of expertise and specialised resources.
5. acknowledges the capital investment required to transition to a full internal service provision. To facilitate timely mobilisation and effective internal service provision commencing in July 2024, \$ 7.4M of additional capital funds will be allocated into the Parks capital programme for FY 24 for the acquisition of plant and equipment.
6. notes that staff will look across the Parks unit budget to cover an estimated \$180 K (0.005%) cost of onboarding 50% of the new personnel for June 2024 to enable a smooth transition into the new service delivery model.

7. agrees that this report can be released post decision. Report release is scheduled to be by the end of September 2023.


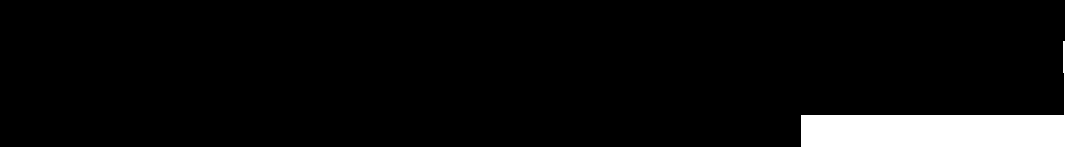
3. Reason for Report Recommendations Ngā Take mō te Whakatau

- 3.1 
- 3.2 Service provision over the term of the contract has not met resident satisfaction targets year on year.
- 3.3 
- 3.4 Relative low risk associated to providing all services in house.
- 3.5 The ability to replicate the agile, proactive response service seen over recent years with the in-house community parks ranger services.

4. Alternative Options Considered Ētahi atu Kōwhiringa

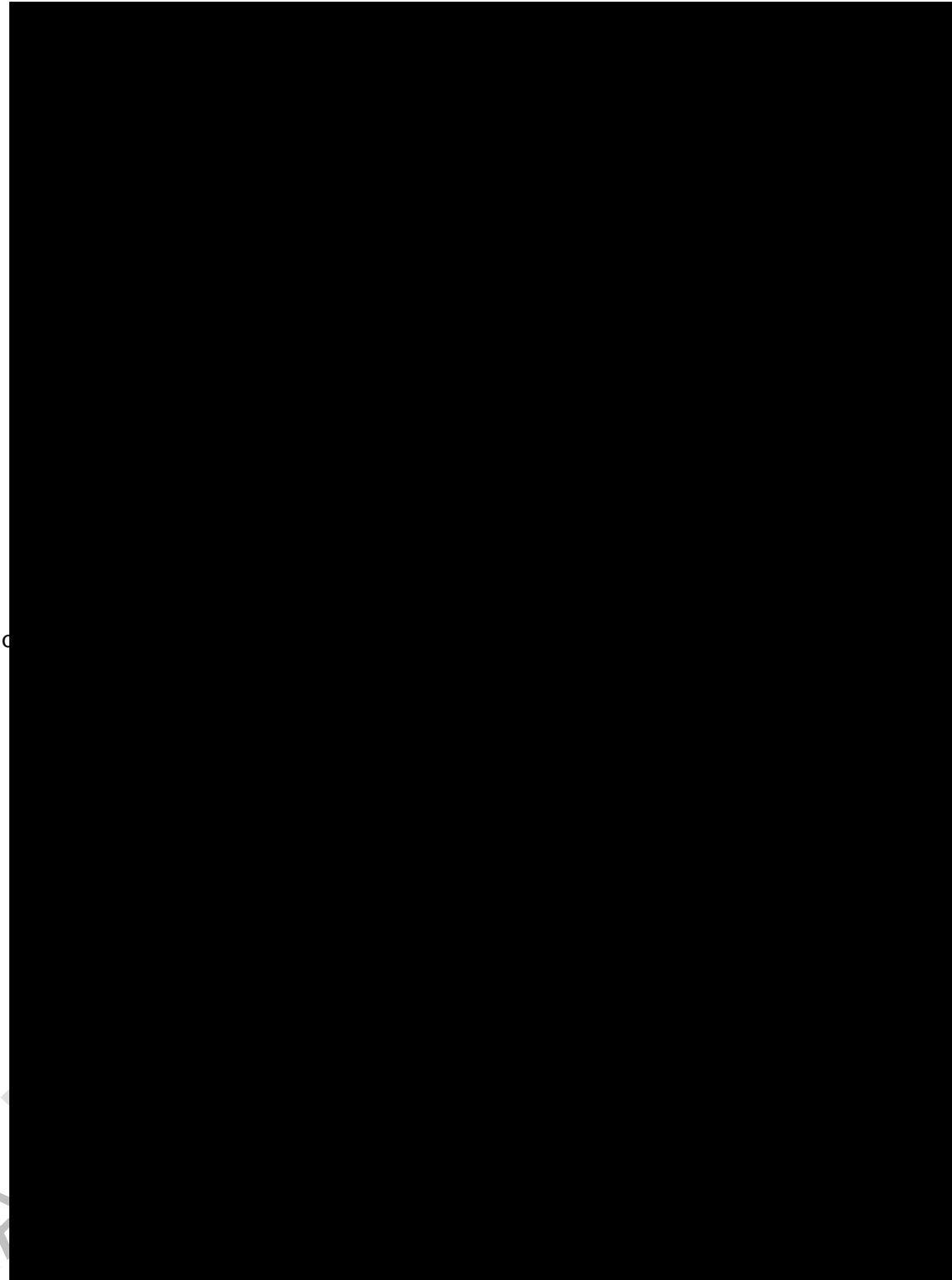
- 4.1 Continue with the existing Hybrid model.
- 4.2 Modified hybrid model.
- 4.3 Full in-house service provision.

5. Detail Te Whakamahuki

- 5.1 A Parks maintenance report to the Council in May 2019 sought endorsement for changes to the Parks maintenance contracts, including developing more integrated contracts, moving some services in-house and the expanding local partnerships.
- 5.2 The issues to be addressed included:
 - 5.2.1 
 - 5.2.2 
 - 5.2.3 Performance pertaining to resolution of CSR (Customer Service Requests) within the service level agreements (SLAs).
- 5.3 A S17A review of Parks services completed in 2017, focusing on parks maintenance services highlighted the following opportunities to address the identified issues:
 - 5.3.1 More flexible and responsive services, including additional front-line staff who could focus on a faster response to customer service requests (CSR) by not having to utilise formal contractual communication mechanisms.
 - 5.3.2 Increased opportunity for citizen engagement and volunteer involvement, particularly places of special interest for the community e.g. cemeteries, garden and heritage sites and parks where “Friends of” or other regular volunteer input is occurring.
 - 5.3.3 Development of area-based teams to enable localised integrated service approach.

- 5.3.4 A greater number and range of community partnerships.
- 5.3.5 More innovative approaches, including opportunities and capacity to develop work force training, internship, and cadet programmes.
- 5.4 The response at that time, 2019, focused on what was seen as the most pressing need in terms of change. Small in-house teams were developed to tackle these matters. The option to develop community-based teams did not progress at that time other than Banks Peninsula due to the remote location and the opportunity to employ locals in these teams. This has proven to be very successful. Other services are listed below:
 - 5.4.1 Cemeteries maintenance (excluding sexton and buildings maintenance delivered by Citycare Limited), first response to customer service requests (CSR's) playgrounds and minor fixtures. Full in-house services also are delivered across the Garden and Heritage Parks. The outcome of this decision is considered nett positive particularly in relation to councils' response to Customer requested service responses.
- 5.5 The contract performance of the service provision has been considered adequate, without being able to deliver a quality of service that is regularly meeting the expectations of stakeholders and citizens. At various times we receive complaints regarding areas or reserves that have missed their maintenance cycles including occasional negative media coverage relating to sports field preparation. Primarily these events occur during difficult grow or weather-related conditions.
- 5.6 [REDACTED]
- 5.7 Another concerning matter that has come to light is the lack of qualified horticulturalists working within the parks and reserves. This has had a detrimental effect on the quality of the gardens within the parks.
- 5.8 [REDACTED]
- 5.9 An independent assessment was commissioned that looked at the potential cost of service for the current service delivery model if Council was to tender in the market presently. [REDACTED]
- 5.10 [REDACTED]

5.11



Public Excluded Item 14

5.12 In terms of services provided by the relevant contractor, the most frequent Customer Service Requests (CSR's) in descending order are for:

1. Garden maintenance
2. Mowing
3. Sports ground maintenance.

5.13 All wards and Community Board Areas are affected by this proposal.

6. Options

- 6.1 The following options are available for council to consider for the future provision of maintenance services.
- 6.1.1 Baseline Option – Continue with the current service provision approach.
 - 6.1.2 Modified Hybrid service model- more in-house service delivery.
 - 6.1.3 Full in-house service delivery.
 - 6.1.4 Full-service delivery via an external commercial contract. Note this has been discounted due to the significant financial risk and Staff redundancies.

Option 1- Current Hybrid Service

- 6.2 The current model has non specialist services delivered via a commercial contracts x 2.
- 6.3 Other services are delivered directly by in-house dedicated teams, including Banks Peninsula whose internal team delivers all parks services.
- 6.4 Continuation of this programme would see the following services competitively tendered in the open market:
- All mowing services including sports field provision.
 - All horticultural services.
 - General parks maintenance services, such as litter and refuse removal and weed spraying.

6.5

- 6.6 The current cost of service is \$6.3 million of programmed work plus an average of \$500K per annum for unplanned works.

6.7

Advantages of this option include:

- Relatively simple process to go to market.
- Commercially cost competitive process.

Disadvantages of this option include:

- Increased Opex costs year on year, [REDACTED] This option has the greatest impact on rates.
- Less agile workforce as it is split between a contractor and staff.
- Unlikely to see an increase in performance relating to areas of parks maintenance due to lack of agility in the contract model.
- Opportunity to enhance the urban forest not available at no additional cost.

Option 2- Modified Inhouse Delivery of Services (increased services delivered internally)

- 6.8 This option would involve bringing all services in-house excluding the bulk amenity mowing.
- 6.9 This service would be delivered by several teams, led by a team leader, and aligned to Community Board areas. Resources allocated to these teams will be determined by the volume of asset that is required to be maintained. Note the Banks Peninsula team already is in place but would require additional resourcing to manage the Whakaraupo/ Harbour area.
- 6.10 Sports field maintenance would be completed by a citywide team aligned with the existing sports turf specialist team responsible for Hagley Park, Nga Puna Wai and Orange theory stadium. Note this team already manages the sand-based sports turf across the city.
- 6.11 The asset allocation for general parks maintenance is outlined in the table below and teams would be established accordingly.

COMMUNITY BOARD	% OF TOTAL VOLUME
Te Pātaka O Rākaihautū Banks Peninsula	0.1%
Waihoru Spreydon-Cashmere-Heathcote	17.5%
Waitai Bur-Coastal-Burwood-Linwood	30.4%
Waipapa Papanui-Innes-Central	12.6%
Waimāero Fendalton-Waimari-Harewood	13.6%
Waipuna Halswell-Hornby-Riccarton	25.9%
	100%

6.12

[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

6.13

[REDACTED]

- 6.14 Staff have developed productivity models to understand service peak load demand to ensure that the personnel listed can meet seasonal demands, and to understand the plant and equipment required to deliver the services efficiently.

- 6.15 Peak load resourcing is based on spring demand meaning staff will be able to focus on other maintenance activities such as repairs and maintenance to furnishings and plantings in autumn and winter.
- 6.16 Other services are delivered directly by inhouse dedicated teams, including Banks Peninsula whose internal team delivers all parks services, would be retained.

6.17

[REDACTED]

Advantages of this option include:

- The Opex budget increase for parks maintenance services can be reduced, from an [REDACTED] per annum therefore not impacting rates to the same degree.
- Link between Community boards and teams responsible for service delivery for some services.
- Creates an opportunity to recruit and train horticulturalists for a long-term sustainable service delivery – (currently lacking in the market)- address community concerns.
- Teams would be community based aligned to Community Board areas.
- Teams can assist with Urban Forest implementation at no extra cost adding value to councils' allocation of the Crowns 'better off funding'.
- Council will have an agile service able to respond to community requests for some services promptly.
- Council brand increases.

Disadvantages of this option include:

- Increased Opex costs year on year.
- Less agile workforce as it is split between a contractor and staff.
- Initial capital cost for set up including plant, equipment, and depots.
- Risks associated to recruitment and retention.

Option 3 – Full inhouse delivery of services

- 6.18 This service would be delivered by several teams, led by a team leader, and aligned to Community Board areas. Resources allocated to these teams will be determined by the volume of asset that is required to be maintained. Note the Banks Peninsula team already is in place but would require additional resourcing to manage the Whakaraupo/ Harbour area.
- 6.19 These teams will be responsible for all parks maintenance activities.
- 6.20 Sports field maintenance would be completed by a citywide team aligned with the existing sports turf specialist team responsible for Hagley Park, Nga Puna Wai and Orange theory stadium. Note this team already manages the sand-based sports turf across the city.
- 6.21 The asset allocation for general parks maintenance is outlined in the table below and teams would be established accordingly.

Community Board Area	% Asset
Sprey-Cash-Heath	15%
Te Pātaka O Rākaihautū Banks Peninsula	2%
Waipuna Halswell-Hornby-Riccarton	26%
Waitai Bur-Coastal-Burwood-Linwood	30%
Waimāero Fendalton-Waimari-Harewood	14%
Waipapa Papanui-Innes-Central	13%
	100%

6.22

[Redacted content]

[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]

6.23

[Redacted content]

6.24 Staff have developed productivity models to understand service peak load demand to ensure that the personnel listed can meet seasonal demands, and to understand the plant and equipment required to deliver the services efficiently.

6.25 Peak load resourcing is based on spring demand meaning staff will be able to focus on other maintenance activities such as repairs and maintenance to furnishings and plantings in autumn and winter.

6.26

[Redacted content]

6.27

[Redacted content]


6.28 The new staff in this option do not create a demand for additional year on year Opex funding as staff numbers will be matched to the available existing budget.

[Redacted content]

Advantages of this option include:

- The Opex budget allocated to parks maintenance can be maintained at current levels
- The allocation of budget to actual physical works would increase from 78% to 91% due to the lower overhead costs and no profit allocation. As per section 5.8 of this report
- Strong link between Community boards and teams responsible for service delivery

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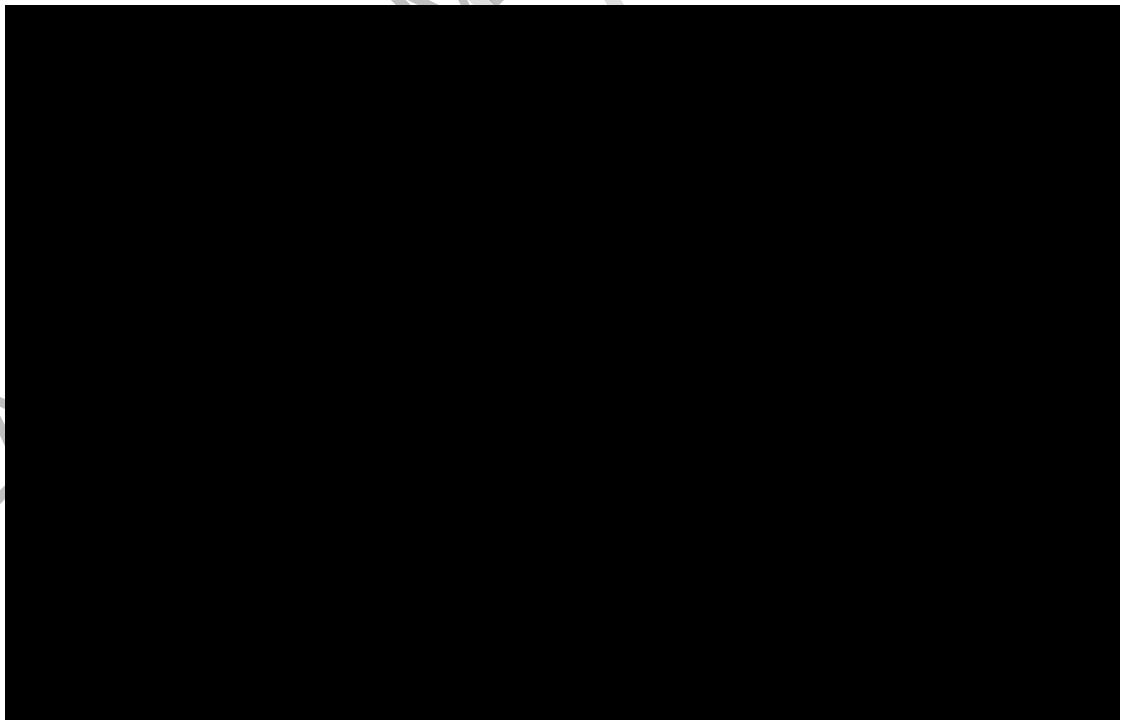
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- Council will have an agile service able to respond to community requests promptly
- Council brand very visible in the parks, matching regional park model
- Provides the best opportunity to train and develop a pool of horticulturalists that have disappeared from the market in recent years
- Teams can assist with Urban Forest implementation at no extra cost adding value to
- Council's allocation of the Crowns better off funding
- Resources balanced against available budget year on year
- Larger pool of staff to manage critical areas when the climate is variable
- One provider only in parks - no confusion over who delivers what
- Other associated cost avoidance - development of business to business (B2B) IT systems for specific suppliers

Disadvantages of this option include:

- Initial capital cost for set up including plant, equipment, and depots
- Risks associated to recruitment and retention

Options financial analysis

6.29 The following table details the financial implications for each option presented above.



7. Policy Framework Implications Ngā Hiraunga ā- Kaupapa here

Strategic Alignment Te Rautaki Tīaroaro

- 7.1 This report supports Council's strategic priority of "Ensuring rates are affordable and sustainable" and Council's Community Outcome "21st century garden city we are proud to live in".
- 7.2 This report supports the [Council's Long Term Plan \(2021 - 2031\)](#):
- 7.3 Parks, Heritage, and Coastal Environment
 - 7.3.1 Activity: Parks and Foreshore
 - Level of Service: 6.0.1 All Parks are managed and maintained in a clean, tidy, safe, functional, and equitable manner (Maintenance) - Maintenance plan Key performance indicators $\geq 90\%$ achieved
 - Level of Service: 6.0.3 Overall customer satisfaction with the presentation of the City's Community Parks - Community Parks presentation: resident satisfaction $\geq 60\%$

Policy Consistency Te Whai Kaupapa here

- 7.4 The decision is consistent with Council's Plans and Policies.

Impact on Mana Whenua Ngā Whai Take Mana Whenua (s77 of the Local Government Act states that any option involving a significant decision in relation to land or a body of water, requires that staff advice take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga. In this section state whether the decision impacts on Mana Whenua in relation to s77 as well as agreed partnership priorities with Ngā Papatipu Rūnanga and then explain how it does or does not.

- 7.5 The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Mana Whenua, their culture, and traditions.
- 7.6 The decision does not involve a matter of interest to Mana Whenua and will not impact on our agreed partnership priorities with Ngā Papatipu Rūnanga
- 7.7 The decision relating to this report only affects how we deliver an existing service to maintain land, rather than a significant change to how we manage the land.

Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

- 7.8 If all Parks maintenance services were to be provided internally, the intent is to acquire electric operational plant for the majority of activities wherever possible. There are some constraints where electrified fleet is not currently available. Where this is apparent, hybrid fleet will be sought as the first-choice alternative before any fossil fuel option is considered. Note that low and zero emission plant technology is advancing relatively quickly and given the lifespan of mowing equipment is approximately 5 years, it is highly likely all operational fleet would be emission free by 2030.
- 7.9 In addition, parks operational facilities will develop solar power generation for charging of electric plant and equipment progressively as we renovate or develop required facilities.
- 7.10 The ability to efficiently increasing local horticultural inputs will result in a beneficial outcome for biodiversity and ultimately long-term positive climate impacts.

Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

- 7.11 Not applicable

Mitigation

- Stringent contract management to ensure all services are delivered to an adequate standard. Note it is not unusual to have to manage change of suppliers and companies are aware of negative referee checks for future works.

10.1.2 A challenging timeframe for delivery and acquisition of plant and equipment and staff recruitment.

Mitigation

- Early decision to allow maximum timeframe for procurement and recruitment.
- Engage directly with the incumbent to explore recruitment of existing contractor personnel who wish to transfer to CCC.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page

In addition to the attached documents, the following background information is available:

Document Name - Location / File Link
Not applicable

Confirmation of Statutory Compliance Te Whakatūrutanga ā-Ture

<p>Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).</p> <p>(a) This report contains:</p> <ul style="list-style-type: none"> (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement. <p>(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.</p>

Signatories Ngā Kaiwaitohu

Author	Andrew Rutledge - Head of Parks
Approved By	Peter Langbein - Finance Business Partner Mary Richardson - General Manager Citizens & Community