

**For general release**

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| <b>REPORT TO:</b>  | <b>Streets Environment and Homes<br/>Scrutiny Sub Committee<br/>19<sup>th</sup> February 2019</b> |
| <b>SUBJECT:</b>  | <b>Update on Insourcing of the Grounds<br/>Maintenance Service</b>                                |
| <b>LEAD OFFICERS:</b>  | <b>Steve Iles, Director of Public Realm</b>   |
| <b>CABINET MEMBER:</b>                                       | <b>Councillor Stuart Collins<br/>Deputy Leader and Cabinet Member for Clean<br/>Green Croydon</b> |
| <b>PERSON LEADING AT<br/>SCRUTINY COMMITTEE<br/>MEETING:</b> | <b>Tom Lawrence, Head of Environment</b>  |

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| <b>ORIGIN OF<br/>ITEM:</b>              | This item has been identified by the Streets,<br>Environment and Homes Scrutiny Sub Committee as<br>an area of scrutiny. |
| <b>BRIEF FOR<br/>THE<br/>COMMITTEE:</b> | To note the progress to date for bringing<br>the Grounds Maintenance Service In-<br>house.                               |

## **1. EXECUTIVE SUMMARY**

- 1.1 The report sets out the progress to date re the insourcing of the grounds maintenance contract which came back into the council's control as an 'in-house' service on 1<sup>st</sup> February 2019. Prior to this the service was contracted out and run by Idverde Services Ltd (previously Quadron Ltd).
- 1.2 The mobilisation of an in-house service followed the announcement by the Administration that the Council would not be extending the contract with Idverde which was due to expire on January 31<sup>st</sup> 2019.
- 1.3 The Grounds Maintenance Service is one of a number of services supporting the strategic development and maintenance of parks and open spaces (Facilities Management, Active Lifestyles, Safety etc.) and it is envisaged that the new in-house service will continue to be integral in activating and sustaining Croydon's assets.

The Active Lifestyle service oversee the 'Client' function for parks and as such are currently leading a number of programmes of work such as natural capital accounting (quantifying the health and wellbeing capital of Croydon's parks), masterplanning, launching outdoor active spaces, regenerating playgrounds and working in partnership with leisure

providers, GLL, to activate and invest in Croydon's parks and leisure facilities. The service also co-ordinates the biodiversity and land management for nature conservation across the borough, through supporting over 40 Friends of Park Groups, who provide in excess of 5,000 volunteer hours per annum and a number of successful partnerships, including Croydon TCV and the Downlands Partnership. Both organisations deliver conservation volunteering, conservation grazing and land management functions to assist the council in looking after 2 SSSI, 4 Local Nature Reserves, woodland, heathland, ponds and lakes. The Service also manages the funding relationship with Natural England and Rural Payments Agency with regards to Stewardship Agreements for high value conservation sites.

The Live Well agenda (promoting healthy lifestyle choices to residents) underpins all of these work streams and the in-house grounds maintenance service will continue to add value to these agendas where applicable.

## **2. BACKGROUND**

- 2.1 The grounds maintenance (GM) function encompasses a wide range of services in relation to Croydon's 127 parks and open spaces as well as the highway verges. These include; planting, grass cutting, hedge trimming, and legging up of trees, locking and unlocking of parks, sweeping and litter bin emptying in parks.
- 2.2 The previous contract for the Grounds Maintenance service was let to Quadron Ltd, who later became Idverde following a takeover. The contract price was £2.9M p.a. At the time of going to tender, the council placed a cap of £3M on the amount bidders could price for their services.
- 2.3 The contract was let for an initial period of 5 years with an optional extension of 5 years with the mutual agreement of the council and Idverde. The initial contract term and ended on 31 January 2019.
- 2.4 There were elements of the contract specification that, whilst outcome based, were overly prescriptive and not achievable with the level of resource employed. An example was the requirement for the majority of grassed areas in the borough to be maintained to between 20-50mm at all times.
- 2.5 The result was that large portions of the boroughs grassed areas were often out of specification, in some cases even straight after they had just been cut, and the council's monitoring officers were torn between managing to the letter of the contract and taking a more pragmatic view.
- 2.6 In the summer of 2017 the number of defaults and rectification notices issued by the council's monitoring team for contractual breaches, including grass cutting, constituted a 'termination event'. Whilst the council chose not to pursue this option, and tried to work with Idverde, it was clear that the level of performance had fallen below an acceptable level.
- 2.7 The council commissioned consultants Ricardo Energy and Environment

(Ricardo) to work alongside council officers and carry out a review of the current ground maintenance service and value for money against other suppliers in the marketplace, benchmarking with other London Boroughs. Their Key findings were:

- That despite the horticultural work generally being of a good standard (there are nine green flag parks in the borough), the Borough's green spaces are let down by the poor performance of grass cutting operations
- Based on the evidence of the value-for-money assessment that the cost of the grounds maintenance operations being carried out within the Borough was cheaper than both our private sector market cost and in-house services could provide the same level of service for.

2.8 The work done by Ricardo had indicated that due to the cap that had been placed on bidders when the original contract had been procured that all the possible options for the reprocurement of the grounds maintenance service would have been more costly to the council.

### **3. THE IN-HOUSE SERVICE**

3.1 Following the announcement that the service was coming back in-house, which was also a commitment in Labour's 2018 manifesto, work began on mobilising the in house service. Representatives from the key service areas formed a Project Team which met regularly to ensure the transition between the two services ran as smoothly as possible.

3.2 Whilst an in-house service will not be cheaper (the cost is likely to be around £3.9M p.a), it will be more robust, with a greater degree of flexibility. The fact that there is no contract should give officers more control and adaptability in running the service which perhaps was not possible when the service was contracted out. The increased cost also reflects the fact that the new service is compliant with the London Living Wage which has resulted in twenty three members of staff who were previously being paid below the LLW being brought up to the LLW standard as a minimum.

3.3 Many of the tools and machinery used by Idverde were assessed to be in good working condition and were purchased by the council in order to ensure continuity of service from day one. Buying much of this equipment new would have involved a longer lead time than was available due to the proximity of the 'go live' date for the new service.

3.4 Arrangements for the servicing of vehicles will be carried out by Veolia in their workshops at Stubbs Mead Depot as part of the South London Waste Partnership Contract.

3.5 New hand tools were ordered and arrangements were made so that the contracts for internet/electricity at Central Nursery at Conduit Lane could be novated into the new service.

3.6 Sixty of the seventy two employees who were on the TUPE list

transferred over to the council. Two notable exceptions were the posts of Contract Manager and Supervisor who opted not to transfer across. Work is currently underway to recruit into the vacant posts and in the meantime, the Head of Environment and Leisure is working closely with the Deputy Contract Manager to ensure continuity of service.

- 3.7 The Council will be looking to review the entire service by September to reflect the changes. For example council's monitoring officers' function will need to reflect the fact that there is no longer a client/contractor relationship, meaning that whilst there will still be a focus on ensuring standards are maintained, the onus will be on these officers to ensure adequate supervision is in place and that performance is recorded and made available for scrutiny.
- 3.8 An induction meeting for the council's new employees was held on 1<sup>st</sup> February 2019 to welcome those employees to Croydon Council from Idverde. A key benefit of working for Croydon was the chance for employees to join the council's pension scheme, as well as many staff who were previously being paid at an hourly rate below the London Living Wage, were now brought up to the London Living Wage.
- 3.9 Staff received induction briefings from the Cabinet Member for Clean, Green Croydon, the Executive Director of Place, Director of Public Realm, Head of Environment and Leisure, Fleet Manager, Head of Health and Safety, Head of Employment Relations and employment relations. After the session there were also surgeries on HR and Pensions which staff could attend. They were also provided with branded Croydon Council uniforms.
- 3.10 Staff were briefed about the importance of representing the council and being the eyes and ears for reporting anti-social behaviour, fly-tipping, knife crime, etc. It is hoped that by bringing this service in-house there will be much greater scope for ensuring such issues are recorded and acted upon.
- 3.11 Training has been arranged to consolidate staff's existing training on tractors and hand tools and over the next few weeks there will be training in the form of toolbox talks on key issues such as equalities, data protection and the council's code of conduct.
- 3.12 It is proposed for the interim the specification for grass cutting will be based upon achieving a 3 week cut cycle across the borough which means that whilst there will be some variation in grass height dependent on seasonality, it should result in a uniform attractive, uniform appearance of grassed areas across the borough .
- 3.13 Prior to the 'go-live' date for the new service, the council met with the various 'friends' groups to ask for feedback on what they would like to see in the new specification, Whilst not all the ideas could be incorporated straight away but helpful as we start to plan for the future operating model, it is hoped that the new service can serve these groups in a way that is more flexible than perhaps the previous arrangements are. The council also gave assurances that the community payback scheme would be continuing.

- 3.14 At the time of writing we are less than two weeks into the in house service and whilst there is still some bedding in to be done, so far it has been well received by staff and is operating well.

#### **4. THE FUTURE**

- 4.1 A full service review is planned over the coming months with an aim to conclude by September, in which we will be working with the relevant Cabinet Members to establish whether the service is fit for purpose and the potential to explore new technologies, innovations and ensure the 'Friends' groups play an active role
- 4.2 Looking wider afield across the council there is an opportunity to bring other grounds maintenance function together. We are exploring the possibilities around the bereavement services (cemeteries) service and certain elements of some of the non-specialist tree works.
- 4.3 The cemeteries grounds maintenance services are currently provided by Ground Control Ltd, with a contract value of £292k per annum. This was originally let as a five year contract with an option to extend by 2 years which was exercised in 2017. The contract is due to expire on 5th November 2019.
- 4.4 The tree works services are currently provided by City and Suburban Ltd the Services are currently delivered under a contract that was awarded in 2008 for an initial period of 7 years with and extension of 3 years. This contract was due to expire on 31 July 2018, but has been extended by a further 12 months in order to assess the best way of letting the future contract, and whether there is scope for repackaging these services in the future GM contract. The current contractual cost is £709,000 pa

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**Background Documents:** None

**Appendices:** None