

### GROUNDS MAINTENANCE SERVICE – UPDATE ON 22/23 YEAR AND PROPOSALS FOR 23/24 YEAR

Report of the Head of Capital Works

#### 1. SUMMARY

- 1.1 The Operational Board Meeting on 9 June 2022 considered a written response from the Head of Capital Works to a question raised by a Leasehold Board Member about the performance of the Grounds Maintenance Service, mainly focusing on the frequency of grass mowing visits during the first three months of the growing season resulting in several sites being untidy in appearance. The outcome of the discussion was a decision to refer the performance of the Ground Maintenance Service to the Main Board for review.
- 1.2 The Main Board Meeting on 28 July 2022 considered a written report from the Head of Capital Works, providing an update on the delivery of the Grounds Maintenance Service in 2022, noting the improvements to the Service delivered since the Operational Board Meeting on 9 June 2022 and providing some direction on areas to be considered when reviewing the future direction of the Service. The Board recommended that Derby Homes and Streetpride should continue to work in partnership to seek out new ways to improve the levels of service. A progress report to be presented to the Main Board at the November 2022 meeting.
- 1.3 The purpose of this Report is to provide Operational Board with a further update on the delivery of the Grounds Maintenance Service in 2022/23 and to propose actions to deliver service improvements in 2023/24.

#### 2. RECOMMENDATION

- 2.1 To note this update on the delivery of the Grounds Maintenance Service in 2022
- 2.2 To recommend to Derby Homes Board to either:
  - a) Invest in an additional 4 staff at a cost of approx. £120,000 a year, as outlined in section 4.6, in addition to action b
  - Or
  - b) Maintain existing staffing levels and monitor any improvements to the service from the actions listed in sections 4.4, 4.5 and 4.6.
- 2.3 To note that the Grounds Maintenance service is currently subsidised by around £0.4m a year and this will increase to £0.5m if Recommendation 2.2a is suggested and approved by Derby Homes Board.

### **3. REASON FOR RECOMMENDATION**

- 3.1 To ensure the Operational Board is informed on the status of the Grounds Maintenance Service, the further progress being made in improving levels of performance during 2022, and consideration of the proposed actions and additional resources requested to improve levels of service in 2023/24.

### **4.0 MATTERS FOR CONSIDERATION**

#### **4.1 Background**

The Operational Board Meeting on 9 June 2022 considered a written response from the Head of Capital Works to a question raised by a Leasehold Board Member about the performance of the Grounds Maintenance Service, mainly focusing on the frequency of grass mowing visits during the first three months of the growing season resulting in several sites being untidy in appearance.

The outcome of the debate, a referral of the Grounds Maintenance Service to debate at Main Board,

The Main Board Meeting on 28 July 2022 considered a written report from the Head of Capital Works, providing an update on the delivery of the Grounds Maintenance Service in 2022, noting the improvements to the Service delivered since the Operational Board Meeting on 9 June 2022. and providing some direction on areas to be considered when reviewing the future direction of the Service.

#### **4.2 Feedback from Main Board Meeting**

The Board Chair raised that this was the first occurrence that the Operational Board have raised a concern about the Service to the Main Board and highlighted the severity of this issue.

The Managing Director of Derby Homes felt that Derby Homes has a much better prospect of negotiating ways of moving forward by working with colleagues in Street Pride. The Managing Director has held discussions with the Director of Street Pride and they have passed on commitment to improve current service levels. One of the main issues with the service is recruitment, Derby Homes will be reviewing methods of procurement and intend to work in partnership with organisations such as Broomfield College to widen opportunities.

The Strategic Director for Communities & Place at Derby City Council expressed her disappointment that this issue has not been resolved. Derby Homes and Derby City Council working in partnership to solve common problems for the city of Derby has always been an important agenda. The Strategic Director also raised that there are nationwide issues within the labour market and there is a need to be creative to attract more people which Street Pride are currently doing. The Strategic Director is aware that there have been issues with services in the past but is confident that by working together with Street Pride there will be a positive outcome.

It was suggestion by the Operational Board that it would be useful to have a

presentation from the Grounds Maintenance Service to discuss the challenges from their prospective and The Board felt this should be endorsed.

In Summary the Board recommended that:

- The Operational Board to continue perusing to resolve the issues raised regarding the Grounds Maintenance Service.
- A progress report to be presented to the Main Board at the November 2022 meeting.

#### 4.3 **Service Performance during 2022**

##### Performance as at date of Operation Board on 9 June 2022

The Grounds Maintenance Team commenced the cutting of grass to the 326 communal areas on the 15<sup>th</sup> March 2022. The status on 9 June 2022 was that the third cycle of cutting had been completed and 25% of the fourth cycle. The frequency between mowing visits was four weeks.

The impact of this performance initiated the debate at Operational Board and was witnessed by the Chief Executive during her “Back to the Floor Day” visiting sites to the southwest of the city, reporting back that they looked unkempt and in need of more regular mowing, as the visits were not keeping up with the rate of grass growth. March to the end of May, in any year, being the most vigorous season for the growth of grass.

The Garden Maintenance Teams commenced the delivery of the garden maintenance to 462 properties on the 15<sup>th</sup> March. 2022. The status on 9 June 2022 was that every garden had four visits with a frequency between visits of three weeks. Performance to target.

Both Derby Homes and Streetpride contract management teams met in early June to plan a reconfiguration of resources, to drive an improvement in performance for the rest of the year.

##### Performance as at 12 September 2022 (Date of writing this Report)

Performance in delivering the Service has improved.

The status of the Grounds Maintenance Service is that the sixth cycle of cutting has been completed and 75% of the seventh cycle. The frequency between mowing visit 3 and 4 was two weeks and four days but has extended out to five weeks between visits 5 and 6. A number of site visits confirmed the schemes looked better presented and completed to the standard expected over the period. The slowdown in grass growth, consequent to the lack of rainfall this Summer, has help with this improvement.

The status of the Garden Maintenance Service is that every garden had eight visits with 50% of gardens having a ninth visit. Frequency between visits averages at 18 days, over the past visits, varying between 15 and 21 days, over the period.

#### 4.4 Operational Issues during 2022

Growing conditions towards the beginning of the mowing season were at their optimum with a grass growth rate well above average for the time of year leaving Streetpride with some operational challenges and consequential impact on the appearance of our sites.

Additionally, Streetpride have struggled to recruit and keep staff. They currently have the establishment numbers, but they are currently using agency staff to fill some roles, with up to ten agency staff earlier in the year. There are also limitations on how these staff can be deployed.

To address the staffing issues, Streetpride have implemented a number of initiatives:

- Owing to retirements and leavers ahead of the mowing season, they made some changes to their typical recruitment style by attending several recruitment shows where they've had their own stands to attract applicants
- They have open on-going running job adverts on their jobs pages
- They've installed a jobs notice board towards the entrance of the Depot to catch footfall
- They held a recruitment event on the Market Place in August where Streetpride showcased their plant and equipment to highlight what they do in a bid to attract applicants
- To assist with the above, they have streamlined the recruitment process, namely the forms that need to be completed, to be much more user friendly trying not to dissuade applicants
- They have met with Staffline (not their agency arm but the wider organisation) to explore a mass recruitment drive to permanent staff. Whilst fully staffed, Streetpride are carrying more agency staff, than Derby Homes would want and so work is on-going to encourage agency workers into permanent positions where appropriate.
- Work in partnership with organisations such as Broomfield College to widen opportunities.

With no spare capacity in the team, it's worth noting that staff annual leave, and particularly sickness absence, has fallen so far this year.

Streetpride are looking at introducing seasonal hours within grounds maintenance as this will maximise resources when demand is greatest and extend the mowing season. Due to climate change, the mowing season is more routinely beginning as early as March and while the start of any mowing season will be slow to begin with, it will mean the grass is already under stress/short when peak demand hits.

Weekly Whitespace job reporting, introduced last year, has vastly improved the quality and quantity of information on progress across the City, allowing both Derby Homes and Streetpride to make intelligence led decisions and optimise runs.

Progress on both workstreams is updated weekly through an activity programme supplied by Streetpride to the Estates Maintenance Team.

#### 4.5 Underlying Operational Issues during 2022 and moving forward into 2023

The reduction in the frequency between mowing's during June / July and the consequential improvement in the appearance of the Schemes was achieved by increasing the amount of labour, with 4 teams of 6 operatives, totalling 24, working on grounds maintenance exclusively. This allocation of resources impacted on the garden service where 4 teams of 2 operatives, rather than the usual 5 teams, worked on customers gardens. Therefore, the frequency between visits increased.

Since that period, the teams have reverted to their usual configuration. As a consequence, the frequency between garden service visits decreased and the grounds maintenance increased. The impact of the latter was less than earlier in the year due to the decrease in grass growth during the height of the Summer.

Streetpride state that reasonable standards of grounds, individual and void garden works can be maintained during the remainder of the Summer and early Autumn, where growth slows down and hopefully, they maintain a full establishment of 32 operatives. However, moving forward this is not sustainable and that to achieve the standard of service expected by our customers, the numbers of operatives deployed would have to increase. Any increase in staffing may require an increase in vehicles, plant and equipment.

#### 4.6 Proposed Actions for 23/24 Year

The aim of both Derby Homes and Streetpride is to deliver a good quality, cost effective service for its customers, that is flexible and able to respond changes in workload across its service area throughout the seasons. To achieve this the following actions are proposed (some of which are already underway).

- Recruitment of Staff - Continue to address the staffing issues with the range of initiatives detailed earlier in Item 4.4.
- Retention of Agency Staff – Continue to encourage good quality agency staff to covert to full-time staff, to maximise the number of directly employed staff as part of a full establishment.
- Further develop Whitespace reporting to make intelligence led decisions and optimise runs, increasing operative productivity.
- Labour resources - To increase the on-site staffing levels from 32Nr to 36Nr, configured as follows:
  - Garden Maintenance Service (5 Teams x 2 Staff ) = 10Nr
  - Grounds Maintenance Service (2 Teams x 5 Staff and 2 Teams x 6 Staff) = 22Nr
  - Dynamic Flexible Team (4 Staff) – Delivering additional seasonal mowing support / Shrub Work etc = 4Nr.
  - **Total 36Nr**

The approximate cost of this recommendation would be approximately £120,000 including overheads, generating around an additional 5,900 productive hours across the year. This resource would prevent the pressure on the service each year during the first quarter of the growing season and be able to respond to pressures across the service throughout the year.

The introduction of seasonal hours for staff is under consideration, as Item 4.4, to compliment the above.

An alternative idea of leaving the establishment at 32Nr and allowing overtime working has been considered but would be an unreliable labour

resource and not be able to be guaranteed to respond to reasonable demand.

The Team needs to be dynamic and flexible, responsive to the needs of the service.

- Plant and Equipment – The provision of additional plant and equipment may be required as part of this proposal.
- Performance Measurement - There needs to be a change in the way performance / success is measured. Reporting on the number of visits by the gardening and mowing teams is not a determinant of success. There need to be a move to towards measuring outputs, the appearance of gardens and schemes together with the quality of the service delivered.

Section 6 of this Report details the current financial position on the Contract and any decision about additional resourcing would have to be cogniscent of the current subsidising of the Contract by Derby City Council / Derby Homes.

## 5. OTHER OPTIONS CONSIDERED

5.1 None

## 6. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

6.1 The current annual cost of the Grounds Maintenance service is approx. £1.25m per annum. This is inclusive of a £81,000 contribution to maintaining HRA land outside the curtilage of properties. So, the core communal grounds maintenance service to tenants and leaseholders within their curtilage costs around £1.168m currently.

6.2 Tenants and leaseholders are charged a grounds maintenance service charge, and this partially recovers the costs incurred in delivering a grounds maintenance service. These service charges have been increasing by 10% each year to smooth out the transition towards matching the service charge income with operational costs incurred.

Costs included within the Grounds Maintenance service charge currently include:

Description of service	Annual cost £'000
Core grounds maintenance service provided by Streetpride	1,268
Depreciation costs incurred on DH owned vans, mowers etc.	55
Tree maintenance costs (trees within curtilage only, 80% of full cost)	182
Path Inspections & remedial repairs within curtilage (this will increase in future years as the new service develops)	50
Caretaking service (share of overall costs for works relating to flats)	110
	1,665
Add Derby Homes staffing costs managing contracts	60
	1,725

There are currently approximately 4,650 tenants paying the service charges (an average of £262 per tenant per year). We are projecting the service charge will generate £1.218m in 2022/23. Additionally, approx. £0.107m is collected via

recharges to 556 Leaseholders. A total of £1.325m recharged against a cost estimated at £1.625m.

Derby Homes / Derby City Council are currently “subsidising” this service to the 5,206 tenants & leaseholders by around £0.4m a year.

- 6.3 Tenants will soon be consulted on rent increases and service charge increases for 2023/24. Assuming that the Council continues to cap the increase on grounds maintenance service charges at 10% (like in previous years), the current level of subsidy (£0.4m) a year will increase to around £0.5m in 2023/24 if the proposal to increase direct staffing by 4 is adopted.

This is based on significant inflationary pressures on the service in 2022/23 likely to continue into 2023/24. Plus, the suggested investment in additional staffing.

Alternative savings proposals will need to be found by Derby Homes to balance off these increased costs as part of the 2023/24 budget setting process.

- 6.4 Under both Housing Benefit and Universal Credit, support is provided for “maintenance of communal grounds” and the tenants service charge is eligible for benefit support.

The areas listed below have no implications directly arising from this report:

Consultation  
Legal and Confidentiality  
Council  
Personnel  
Environmental  
Equalities Impact Assessment  
Health & Safety  
Risk  
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

Ian Yeomans / Head of Capital Works / 01332 888601 / Email [ian.yeomans@derbyhomes.org](mailto:ian.yeomans@derbyhomes.org)

Background Information: None

Supporting Information: None

**This report has been approved by the following officers:**

<b>Interim Finance Director</b>	Michael Kirk	20/09/2022
<b>Company Solicitor</b>	Taranjit Lalria	21/09/2022
<b>Head of Service</b> (Operational Board reports)	Ian Yeomans	20/09/2022