

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 05 December 2016

<b>Portfolio:</b>	Streetscene
<b>Subject:</b>	Grounds Maintenance Agency Agreement
<b>Report of:</b>	Director of Operations
<b>Strategy/Policy:</b>	Safe and Healthy Place to Live and Work
<b>Corporate Objective:</b>	Protecting and Enhancing Our Environment

**Purpose:**

To seek approval for an increase in the Grounds Maintenance Service annual revenue budget in order to maintain the Council's current standards of publicly owned soft landscaped areas across the Borough.

**Executive summary:**

A Highway grass, shrub and hedge maintenance agency agreement between Fareham Borough Council and Hampshire County Council has been in operation since 2004.

The agreement has allowed Fareham Borough Council to maintain a uniform standard of maintenance to soft landscaped areas across the Borough's publicly adopted open space areas, irrespective of authority ownership.

Under the current agreement a range of formulae are used to calculate the fees paid to Fareham Borough Council for grounds maintenance work based on the costs incurred by the Council in undertaking the maintenance of the adopted highway areas.

In the financial year 2016-17, the revenue funding received by Fareham Borough Council from the County for undertaking this agency work is £164,500. The cost to Fareham Borough Council for actually undertaking the work is £263,500 and therefore, the shortfall of £99,000 is made up by Fareham Borough Council to ensure an acceptable standard of maintenance is carried out to the Highway grass areas.

As part of a wide ranging efficiency plan, the existing agency agreement was terminated with 12 months' notice given by Hampshire County Council in March 2016 with a view to agreeing new arrangements for the 2017/18 financial year.

There is an option for Fareham to hand back the maintenance of the Borough's Highway areas to the County Council so that it can be included in the new

contractual arrangements. However, the specification is considerably reduced from the current standard provided by Fareham Borough Council's Grounds Maintenance team and it is anticipated that the majority of residents would not support this proposal that would result in a significant deterioration in the aesthetic appearance of the Borough.

The Council has an option to retain the existing work arrangements. However, Hampshire County Council is proposing to reduce the amount of funding for any new agency agreement with Fareham Borough Council by approximately 9%. This proposal will reduce the County Council funding to an anticipated £150,000 per annum.

In addition to the reduced income, the new agreement is likely to impose additional demands on the Council to cover the cost of operational items such as traffic management and introduce the possibility of night time working for motorway junction operations. The cost of these additional demands is estimated to be approximately £5,000 per annum.

In order to continue the agency agreement in its current form, Fareham Borough Council would need to increase the current subsidy of £99,000 to £119,000. An increase of approximately £20,000 per annum.

**Recommendation/Recommended Option:**

That the Executive approves the increase in annual revenue budget required to allow grounds maintenance standards to be maintained at the current level across the Borough.

**Reason:**

To continue to meet the Council's vision of Fareham being a prosperous, safe and attractive place to be and to deliver a good quality, value for money local service for the residents and visitors of Fareham.

**Cost of proposals:**

An increase of £20,000 is required for Streetscene's Grounds Maintenance annual revenue budget.

**Appendices:**                      **None**

**Background papers:**   **None**

**Reference papers:**

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## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	05 December 2016
<b>Subject:</b>	Grounds Maintenance Agency Agreement
<b>Briefing by:</b>	Director of Streetscene
<b>Portfolio:</b>	Streetscene

#### INTRODUCTION

1. A Highway grass, shrub and hedge maintenance agency agreement between Fareham Borough Council and Hampshire County Council has been in operation since 2004.
2. The agreement has allowed Fareham Borough Council to maintain a uniform standard of maintenance to soft landscaped areas across the Borough's publicly adopted open space areas irrespective of authority ownership.

#### CURRENT ARRANGEMENTS

3. The agency agreement covers the maintenance of the following Highway features:
  - 76,500 square metres of rural grass, cut on 2 occasions per annum.
  - 742,128 square metres of urban grass verge, cut up to 16 occasions per annum.
  - 12,178 linear metres of hedgerow, cut on 2 occasions per annum.
  - 35,485 square metres of shrub borders, visited on 2 occasions per annum.
  - A monthly visit to the Portchester Home Zone shrub borders.
4. The hedge cutting and rural grass elements are currently outsourced to The Landscape Group as part of the Council's Hedge and Sports Ground Maintenance Contract.
5. Under the current agreement a range of formulae are used to calculate the fees paid to Fareham Borough Council for this work based on the costs incurred by the Council in undertaking the maintenance of the adopted Highway areas.
6. The arrangements allow for the Council to be reimbursed for 100% of the costs to maintain the rural grass, hedge cutting and the Portchester Home Zone elements. However, the urban grass cutting contribution covers approximately 55% of the cost of the operation.

7. The revenue funding received from the County Council for the above works in the 2016-17 financial year is £164,500. The cost to Fareham Borough Council for undertaking the work is £263,500 and the shortfall of £99,000 is made up by Fareham Borough Council to ensure an acceptable standard of maintenance is carried out to the Highway grass areas.
8. In addition to the works allocation of £164,500, the County Council also contribute £8,000 in fees towards the administration and management of the agency works.

### **PROPOSED CHANGES BY HAMPSHIRE COUNTY COUNCIL**

9. As part of a wide ranging efficiency plan, the existing agency agreement was terminated with 12 months' notice given by Hampshire County Council in March 2016 with a view to agreeing new arrangements for the 2017/18 financial year.
10. A county wide tender exercise was conducted in 2016 by Hampshire County Council that included the work contained in the agency agreements for all of the district and borough authorities in Hampshire.
11. There is an option for Fareham to hand back the maintenance of the Borough's Highway areas to the County so that it can be included in the new contractual arrangements scheduled to commence in April 2017.
12. The County Council tender included a revised and reduced specification for the maintenance of the Highway areas that is designed to maintain highway safety alone rather than consider the implications on the aesthetics of the Borough.
13. As such, the tender specification allows for just 4 grass cuts per annum on all Highway verges and open spaces (a cut approximately every 2 months). One hedge cut per annum, commencing in October each year and one shrub border visit per annum, also commencing in October. There is also an option within the contract to further reduce the grass cutting frequency should the need arise in the future for additional efficiencies to be found within the County Council.
14. Fareham Borough Council's Corporate Strategy sets out our vision of a prosperous, safe and attractive place to be and considerable progress has been made to realise this aim. This has not happened by accident but by careful management and development, and constant attention to our environment and the needs of our communities. Our vision for Fareham's future is based upon the assumption that residents want to preserve all that is good about Fareham, whilst increasing prosperity and making it an even more inclusive and attractive place to live and work.
15. Residents are familiar with contacting the council to discuss their grounds maintenance issues and should the work return to the County, they are likely to continue to do so. This will result in third party handling of complaints or a 'handing off' of problems to the County Council who will no doubt refer the issue on further to a contractor to resolve. Customer satisfaction is highly likely to be reduced under these circumstances.
16. Local initiatives such as Fareham in Bloom, the Council's participation in South and South East In Bloom as well as many local events could suffer as the difficulty in co-ordinating County wide grounds maintenance operations/priorities with local priorities could lead to standards of the Highway areas falling below what has become normal for Fareham's residents during such activities.

17. At the current time, all grass, regardless of authority ownership, is cut at the same frequency so it provides a consistent look across the borough. If the highway verges are cut at a different specification to Fareham's own land, situations would arise where adjoining grass areas are not cut concurrently. This could lead to confusion for residents and complaints that both Councils are actually wasting money sending different work teams to the same location.
18. In these circumstances grass cutting for Fareham Borough Council land will become less efficient to maintain as the operatives will have to drive increased distances between locations to cut the grass rather than cut the verges on route as they do now. This will mean the amount of grass cut in any one day by each operative will reduce, resulting in the cost per square metre to maintain the grass increasing. There will also be less flexibility amongst the current work force as staff numbers and equipment will be have to be reduced if the Highway work is provided by a County contractor. This would result in additional pressure on the service when issues such as breakdowns, adverse weather, sickness and holiday occur as there would be less flexibility in a smaller team to respond to the wider service demands.
19. However, if Fareham were to take up the option to continue to provide the existing level of service with its own workforce then there will be need to increase the revenue budget of the Grounds Maintenance service.
20. Following the County Council tender process and based on the returned tender prices, Hampshire County Council is proposing to reduce the amount of funding for any new agency agreement with Fareham Borough Council by approximately 9%. This will reduce the County Council funding to around £150,000 per annum.
21. In addition to the reduced funding, the new agreement is likely to contain additional demands over the previous agreement. For example, under the current agreement the traffic management costs for the two main maintenance operations undertaken to the Boroughs motorway junctions are funded by the County. The new agreement is likely to pass on the responsibility and therefore, the cost to the Council, of all the traffic management requirements for ground maintenance operations carried out in the Borough.
22. It is estimated that this additional demand and the possibility that motorway junction work will need to be carried out at night to comply with the County's latest road safety requirements could increase the cost to maintain these areas by as much as £5,000 per annum.
23. In order to continue the agency agreement in its current form, Fareham Borough Council would need to increase the present subsidy of £99,000 to £119,000. An increased cost to the Council of £20,000 per annum.

## **CONCLUSION**

24. To continue to meet the Council's vision of Fareham being a prosperous, safe and attractive place to be and to deliver a good quality, value for money local service for the residents and visitors of Fareham it is recommended that the Council continue to provide a grounds maintenance service under a new agency agreement with Hampshire County Council.
25. To facilitate a new agreement and maintain an acceptable level of grounds maintenance

standards in the borough it will be necessary to increase the current Grounds Maintenance revenue budget by £20,000.

26. If the Executive approves the budget increase, officers will, through the Vanguard intervention in Streetscene, pursue opportunities to reduce revenue spending in the medium term to ameliorate the financial impact.

**Enquiries:**

For further information on this report please contact Paul Doran. (Ext 4572)