

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 21 September 2021

Portfolio:	Planning and Development
Subject:	Council Trees Service Review
Report of:	Director of Planning and Regeneration
Corporate Priorities:	Protect and Enhance the Environment Dynamic, Prudent and Progressive Council

Purpose:

This report sets out the results of the detailed review of the Council Trees Service, and provides options for the future delivery of the service.

Executive summary:

The Council is facing considerable financial pressures, worsened by the impact of COVID-19. Alongside this, our Trees Service had experienced a number of budget overspends.

Therefore, a review of the Council Trees Service was recently conducted, with the aim of identifying what options could be available to reduce the cost of the service whilst continuing to offer a good quality tree management function.

A Systems Thinking (Vanguard) approach was applied to the service, alongside legal and financial analysis and comparisons with the approaches adopted by other local Councils.

The results of the review and proposals for the future provision of the service are outlined in this report, alongside a proposed level of expenditure which reflects the increasing stock of trees that the Council now actively manages as well as incorporating options identified to reduce areas of spend.

To mitigate any future overspends it is also proposed that a full review of the Council's Planning Obligations Supplementary Planning Document for the Borough of Fareham excluding Welborne (SPD) takes place to allow the Council to recover the cost of tree maintenance when adopting land. The Executive is invited to note that an increased maintenance contribution for adopting land containing trees which will require active management by the Council upon adoption will be introduced with immediate effect.

Recommendation:

That the Executive approves:

a) The new approach to Council-owned trees which includes:

- Stopping Good Neighbour Works;
- Changes to Tree Planting;
- Changes to the inspection frequency of Council managed trees;
- Responsibility for low height tree works being brought in house;
- Reduction of other planned tree works
- Individual proposals for funding of Strategic Planting Sites being brought to future Executive meetings for consideration;
- Engagement with local communities and the building up of a volunteer resource.

b) A full review of the Planning Obligations Supplementary Planning Document for the Borough of Fareham excluding Welborne (SPD) be conducted.

That the Executive note:

c) That an increased maintenance charge will be sought where land is being adopted which contains trees which the Council will need to actively manage upon adoption, of £500 per tree.

Reason:

The number of trees owned and/or maintained by the Council has risen significantly during the last ten years which has been creating a financial pressure. The proposals will help ensure a well-managed and safe tree stock that is financially sustainable.

Cost of proposals:

An interim budget of £230,600 was set for 2020/21 and 2021/22, while the Tree Review was undertaken. If the Executive agrees the new approach to Council-owned trees, this will create a new spending pressure, within the Medium-Term Financial Strategy, of £28,400 in addition to the £80,000 growth already incorporated in the interim budget, and this will need to be considered during the budget setting process each year.

However, the proposals will help reduce future budget overspends which have previously been as high as £251,000.

Income from the increased maintenance charge, and potentially increased contributions following a review of the Planning Obligations Supplementary Planning Document for the Borough of Fareham (excluding Welborne) will help ensure the service remains financially sustainable if we adopt more land in the future.

Appendices: **A:** Detailed Tree Review Results
Background papers: None

Reference papers: None

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Executive Briefing Paper

Date:	21 September 2021
Subject:	Council Trees Service Review
Briefing by:	Director of Planning and Regeneration
Portfolio:	Planning and Development

INTRODUCTION

1. This report sets out the results of the detailed review of the Council Trees Service and puts forward options for the future delivery of the service.

BACKGROUND

2. The Tree Team is made up of 3 full time officers. Their work is split between:
 - 60% of the time: Undertaking all planning functions in respect of trees
 - 40% of the time: Managing all the trees on Council land
3. Whilst the chance of injury or damage from trees is very low, the Council has a legal duty to manage our stock so that they don't pose a significant risk.

AIMS AND METHODOLOGY OF THE REVIEW

4. The review of the Council's Trees Service was identified as an action in the Council's Opportunities Plan which aims to find ways to generate income or reduce expenditure to help bridge the funding gap identified in the Medium-Term Financial Strategy.
5. The overall aim of the review was therefore to identify the different parts of the service and how they contribute to the overall cost. This included identifying what options could be available to reduce the cost of the service whilst continuing to offer a good quality tree management function.
6. The review included a Systems Thinking (Vanguard) analysis of the service, research into legislative requirements, a survey used to identify the different approaches used by other councils and discussions with officers and partner organisations. Financial analysis of service spend was used to identify trends during the last ten years and modelling of the impact of different options.

7. Ash Dieback is a disease which is an important issue linked to the management of our tree stock. In order to allow a planned and considered response a separate report will be brought to the Executive on this subject for consideration.

OUTCOMES OF THE SERVICE REVIEW

8. The main results of the review are as follows:-

TREE NUMBERS, SPEND AND BUDGET

9. *The number of trees the Council controls has increased dramatically:* Through a proactive approach to land adoption, the Council has taken on an estimated 210,000 to 220,000 mature trees. This can be through larger residential sites with areas of green space or exceptional sites such as Coldeast. Those trees actively managed by the Council i.e. regularly inspected and maintained increased by 110% from just under 10,000 in 2011/12 to just over 21,000 in 2020/21.
10. *Service costs have been increasing:* The average annual cost of each tree being managed has generally stayed around £19 during the last ten years, although it should be noted that not all the costs incurred in a year relate to the trees being managed (see sections below). However, the significant increase in tree numbers will have had an impact on the annual cost of the service. The total cost of the service grew from £151,785 in 2011/12 to £399,277 in 2019/20. The budget set in 2019/20 was £120,000 plus an additional £30,000 from the Housing Revenue Account (HRA) meaning that there was a budget overspend of £251,233 that year. This year was chosen as the baseline for analysis as it was the last full year not to have been impacted by COVID-19.
11. *Planned tree works and good neighbour works make up around 75% of the total spend in 2019/20:* Around £211,000 was spent on planned tree work which mainly derive from recommendations made during tree inspections. Another £72,000 was spent on good neighbour works which is for the active management of the trees.
12. *An interim budget was set to help respond to financial challenges:* In both 2020/21 and 2021/22 an increased interim budget of £200,600, pending the outcome of the review of the service, was set for the management of the Council's trees with the challenge to stay within the budget provision. An additional £30,000 from Housing Revenue Account recharges, for works carried out on land controlled by Fareham Housing, was also agreed.

13. GOOD NEIGHBOUR WORKS

14. *We are the only Council in Hampshire to carry out good neighbour works:* We have traditionally responded positively to requests from residents whose property neighbours one of our trees, to carry out work to the tree. This could be as a result of issues such as overhanging branches or canopies blocking the light to a property.
15. As part of the response to the financial pressures faced by the Council, a temporary hold was placed on any new good neighbour works from June 2020 onwards. The temporary cessation resulted in three formal complaints to the Council and some further complaints by email and telephone.
16. Based on the evidence found, no other Council in Hampshire conducts good neighbour works. Based on this information and the continuing financial pressures faced by the Council it is hard to justify the continued provision of this service. It is therefore

proposed that this service does not resume.

17. Whilst there is generally no legal obligation to carry out “good neighbour” works if any essential works are identified where trees pose a threat to people or property, these would be carried out as part of the planned tree works programme.
18. Continuing to stop the service would reduce expenditure by £72,000 compared to the spend in the baseline year of 2019/20.

INSPECTION REGIME

19. The Council designates a risk category based on factors such as location, size and age to each of the trees we actively manage. The vast majority of trees (80%) are inspected using a three-year cyclical regime, with higher risk trees being inspected every two years and the highest risk trees annually. A small number of trees are deemed to be the lowest risk and are seen every 6 years.
20. An external contractor inspects each tree and may make recommendations for planned tree works. The external contractor charges are regularly subject to market testing.
21. *Only a small percentage of inspections generate planned tree works:* Based on the sample of trees analysed only 16% of inspections result in any planned maintenance works to the trees. Of those, 38% were on trees that had multiple maintenance works carried out over time.
22. *We inspect more regularly than many other Councils:* There is range of inspection regimes employed by Hampshire Councils with each inspecting their tree stock at different frequencies. From the evidence found, Fareham inspects its trees more regularly than most other Councils within the county.
23. Considering that only a small number of inspections generate planned tree works and that we inspect more frequently than many other Councils, there is the potential to make changes to our regime. It is therefore proposed that the inspections of low risk trees are moved to a five-year cyclical regime. Trees regarded as medium risk will be inspected every three years and the highest risk trees will be inspected every 1 ½ years. The small number of trees currently seen every 6 years will be added to the 5-year cycle. Feedback from the Council’s insurers will be sought before the proposed changes are implemented.
24. The annual cost of the contracted inspections under this regime is estimated to be £30,000 which would be £15,000 less than the actual spend in the baseline year of 2019/20 and could start to be realised from 2022/23 onwards.

PLANNED TREE WORKS

25. *There is potential for Streetscene to carry out some tree works:* The majority of tree works are as a result of planned tree inspection recommendations and are carried out by external contractors. The Council receives good value for money from these contractors. Much of the works are at height and require specialist equipment and knowledge. The capital costs and additional training and staff resources required for Streetscene to take on this work is prohibitive.
26. However, much of the lower height works including ivy clearance could be carried out by the Streetscene Team. As the skills and equipment are already in place, it is proposed that low height works be included in the ground’s maintenance work

programme from 2022/23 onwards. This would reduce spending by £11,700.

27. It is also proposed to reduce the spend on planned tree works by a further £19,500 compared to the actual spend in 2019/20. The expected level of spend on planned tree works is therefore £180,000 which is approximately £31,200 less than the actual spend in 2019/20. This is because a reduction in the frequency of tree inspections is likely to lead to some reduction in planned tree works.

REPLACEMENT AND PRO-ACTIVE TREE PLANTING

28. The Council normally plants around 140 to 150 trees in the Borough every year; all of which is carried out by external contractors. Around 60% of the trees planted are replacements for felled trees in urban areas e.g. parks. However, we don't tend to replace dead trees in areas with extensive tree cover e.g. woodlands, preferring the site to regenerate naturally. This means that we only replace around 20% of trees that die or are felled.
29. The remaining trees are planted in ad-hoc locations across the Borough that are identified by the Council's Trees Team. In addition, there has been large scale planting in sites such as Daedalus Common where around 21,000 trees have been planted.
30. *It is proposed that any pro-active new tree planting should be undertaken on a strategic basis:* Strategic tree planting i.e. block planting in fewer but larger sites can bring environmental benefits e.g. habitat creation. It also makes maintenance e.g. watering and mulching more efficient as there are fewer locations to drive to.
31. Whilst identified as a possible opportunity to explore in the Council's Climate Change Action Plan, carbon offsetting accreditation is a costly, complicated and slow process. There is also likely to be greater potential for reducing our carbon footprint through other service changes and projects.
32. Another benefit of this type of planting is that it is more likely to benefit from external funding when compared with smaller ad hoc planting. However, this often requires applications coming forward from community groups or schools.
33. It is therefore proposed that whilst we continue with the same approach to replacement tree planting, proactively planting of trees only takes place in larger strategic areas.
34. Any potential new strategic site would require feasibility assessments carried out to fully understand the context of the site e.g. soil conditions and any potential constraints.
35. This would then allow the production of a proposed plan and associated cost of planting at the site to be established. The cost would include any enabling works required, as well as tree planting, watering and mulching costs. Options for external grant funding would also be explored for each potential site.
36. Potential sites deemed suitable following this work would then be presented to the Executive for approval, with the financial implications for each site.
37. Each site would represent a budget growth area and would need to be included in the Medium-Term Financial Strategy.
38. There is currently not enough countryside volunteer resource to help manage the new planting sites. The long-term approach would be to build links with community groups and to work closely with them to apply for grant funding. Some of the schemes require

applications to come from organisations such as schools or residents associations. A team of volunteers would also be created to help maintain each site.

39. In addition to this, Streetscene are being asked to re-evaluate their priorities to accommodate tree planting, mulching and watering wherever possible in strategic planting areas. It is also appropriate for Streetscene to consider what scope exists to undertake the replacement tree planting as well. This approach has the potential to make future long-term savings. However, it will take time for these to become clear.
40. The proposed approach to tree planting could save £19,500 compared to the actual spend in 2019/20, leaving an annual spend of £25,000.

LAND ADOPTION

41. *We are in the minority of Councils that proactively adopt land:* We have traditionally sought to adopt land that has come through the planning process. Most other Councils in Hampshire either don't adopt land or only do so in exceptional circumstances. The trees adopted as part of this approach can range from fully mature trees to recently planted saplings, which have been agreed as part of a development scheme.
42. Of those that do, they generally include the cost of maintaining trees in Section 106 developer contributions, often over a prolonged period e.g. 25 years or longer. Fareham currently charges a flat rate for maintaining land, whether there are trees located on it or not.
43. *We will face significant budget pressures if we continue in the same way:* if Fareham continues to adopt trees at its current rate of 700 a year (not including those adopted at Coldeast or Daedalus Common) then the annual tree maintenance and inspection costs will increase by:
 - £67,070 in 5 years
 - £134,140 in 10 years
44. Considering the financial challenges faced by the Council, this is only a sustainable approach if maintenance contributions are secured.
45. It is therefore proposed that a more flexible developer contributions scheme is developed that reflects the full costs of maintaining land that has trees of varying sizes and ages and land that does not, over a prolonged period of time e.g. 25 years.
46. This proposal would require a full review of the Council's Planning Obligations Supplementary Planning Document for the Borough of Fareham excluding Welborne (SPD). If approved, it is anticipated that this would take around 12 months to complete. There is provision within the Council's current SPD to increase the maintenance contribution charges, where it is justified to do so.
47. At the present time the Council seeks a contribution of £6 per square metre (index linked from April 2015) for maintaining parks and amenity open space land it adopts. As a result of the detailed work that has been undertaken as part of the review of the Council's trees, it is clear that the cost of maintaining such land when it contains trees is considerably higher than the level of contribution presently secured. It is recommended that where the Council adopts land containing trees which it will be required to actively manage, a maintenance contribution of £500 (index linked from April 2021) should be secured for each tree, above the £6 per square metre (index linked). The introduction of

such an increase in cost in relation to maintenance contributions is justified within Paragraph C.16 of the adopted Supplementary Planning Document.

48. This additional income will help contribute towards the costs of the maintenance of additional trees being taken on by the Council before the new SPD is adopted.

49. **FINANCIAL CONSIDERATIONS**

50. The Council Trees Service review is based on the analysis of the actual expenditure from the baseline year of 2019/20, when the spend was £399,480 compared to a budget of £120,000, plus £30,000 from recharges to the Housing Revenue Account (HRA), for works carried out Fareham Housing land.

51. As shown in the table below, the proposals in this review would reduce expenditure by £137,700.

	Reductions in Spend
	£
Stopping Good Neighbour Works	£72,000
Change in Inspection Regime	£15,000
Low level tree works brought in-house	£11,700
Reduction in Planned Tree Works	£19,500
Change to Tree Planting	£19,500
	£137,700

52. As mentioned previously, an interim budget of £200,600 plus the £30,000 HRA recharge, was set for 2020/21 and 2021/22, pending the outcome of this review. Significant savings were made by the Trees Service during these two years, however, certain works were curtailed or delayed, and the budget level was not seen as sustainable in the long term. The review has therefore proposed a new level of expenditure of £229,000 plus £30,000 HRA recharge which recognises the increased number of trees that the Council now controls

53. If the Executive agrees the new approach to Council-owned trees, this will create a new spending pressure, within the Medium-Term Financial Strategy, of £28,400 in addition to the £80,000 growth already incorporated in the interim budget, and this will need to be considered during the budget setting process each year.

54. However, the proposals will help reduce future budget overspends which have previously been as high as £251,000.

55. Increasing the maintenance contribution for land containing trees which the Council will be required to actively manage with immediate effect, and potential increases in contributions following the review of the Planning Obligations Supplementary Planning Document for the Borough of Fareham (excluding Welborne) will help to ensure the service remains sustainable if we adopt more land in the future.

CONCLUSION

56. The proposals in the review of the Council's Trees Service review should help ensure that the Council's growing tree stock continues to be managed in an effective way whilst minimising the risk of future budgetary pressures.

Enquiries:

For further information on this report please contact Lee Smith – Head of Development Management (Ext 4427) or Roy Brown – Policy, Research and Engagement Manager (Ext 4489)