

From: Matthew Balfour, Cabinet Member – Environment & Transport
Roger Wilkin, Interim Director Highways, Transportation and Waste

To: Environment & Transport Cabinet Committee – 4 December 2015

Subject: Kent County Council Highways, Transportation & Waste Soft Landscape Works - Service Review 2018/19

Non-Key decision

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: Environment & Transport Cabinet Committee March 2016.

Electoral Division: County Wide

Summary: One of the objectives included in the KCC Business Plan is to review the soft landscape works service from 2018/19, after current contracts expire. A number of options for the future service have been identified and require development. This report seeks cabinet approval to engage an Member Task and Finish Group to review and identify the priority outcomes for the service. The recommendations from the Group will be reported back to Environment & Transport Cabinet Committee for final decision in March 2016.

Recommendation:

The Cabinet Committee is asked to set up an Member Task and Finish Group to inform and identify the priority outcomes for the future of the service.

1. Introduction

- 1.1 Highway Operations Soft Landscaping Team are responsible for the management of trees and vegetation within the highway boundary in urban and rural areas (8,500km of road network). The service is delivered through a balance of arrangements with districts and parishes and through publicly procured contracts with SME contractors. An earlier review of the service determined that co-termination of works contracts in 2017/18 would provide an opportunity to review the future service delivery of the works element.
- 1.2 The lead-in time to replace existing works arrangements, including procurement requirements, negotiations and mobilisation periods means that an executive decision on the preferred option is required by the end of March 2016. A timeline is attached as Appendix 2.

2. Background, Options and Objectives

- 2.1 A list of the soft landscape procured contracts is attached at Appendix 1. The current annual cost of soft landscape works is £2.6m. Notably reductions of £1.1m (30%) were made in 2011/12. The MTFP targeted savings of £385k

(15%) are proposed for 2018/19. The MTFP savings will result in reduced service levels.

- 2.2 In 2015/16 the majority of the soft landscape spend is on scheduled works for urban and rural grass cutting, shrub and hedge maintenance, tree works and weed control. Regular procurement has resulted in lowering prices. These prices are used to benchmark the current arrangements with districts and parishes. Due to the frequent testing of the market officers are confident the current prices reflect value for money.
- 2.3 Five districts (and several parishes) currently provide the service on our behalf. These districts are reimbursed at the benchmarked rates and provide enhanced services at their own cost to meet their local needs. However the districts have expressed concerns that any further reduction in either funding or service levels will force them to hand back the service.
- 2.4 Current works frequencies fall short of what the highways soft landscape asset requires for long term sustainability. Further reductions in the service will contribute to long-term degradation of the asset.
- 2.5 In line with the planned review of the service and the new commissioning procedures a draft Diagnostic Report has been prepared. The draft Diagnostic Report outlines five possible options for the future of the service:
 - **Option 1: Status Quo** – continue with existing works frequencies and deliver the service through a mix of publicly procured contracts and through agreements with districts and parishes. A small amount of savings could be achieved.
 - **Option 2: Reduced Service** – to accommodate MTFP targeted savings scheduled works will be cut. The savings could be spread among urban and rural areas, however some service frequencies are already at 1 annual maintenance visit and as a result a portion will receive no maintenance. This will result in fewer scheduled works and increased reactive safety critical works.
 - **Option 3: Engage With Districts, Town Councils & Parishes** – transfer the urban service to a combination of districts, town councils & parishes, with KCC retaining the rural services and tree works. This option supports localism and the combination of urban service providers would be able to enhance high profile tourist, business and town centres according to local priorities. It is unlikely all districts, town councils and parishes would sign up and those that did are likely to require a financial incentive.
 - **Option 4: Bring In-house** – this option could accommodate MTFP targeted savings if works frequencies were reduced as in Option 2. Initially there will be increased costs for staff resources (TUPE) or depots and equipment or both, depending on the model selected.
 - **Option 5: Statutory Minimum Service Only** – this would generate greater savings than Option 2. However, the focus would shift to reactive safety works, customer enquiries and complaints would increase, and assets would require a new mapping exercise to define works that are safety

critical. This approach would be reliant on the public's acceptance of greatly reduced service standards and a cultural shift in customer perception. Communities, volunteers and third sector groups may partially fill the service gap. However, financial incentives may be required to encourage a sustainable commitment.

The Member Task and Finish Group is asked to assist in the review to identify the priority outcomes for the future service.

2.7 The key objectives for the development of the future service options are to:

- contribute to the Council's Outcomes Framework;
- identify further saving efficiencies through commissioning, partnership working and challenging existing practices;
- maximise synergies between internal and external partners;
- build greater flexibility with regard to provision of soft landscape works to achieve quality, customer satisfaction and value for money;
- ensure KCC meets its environmental compliance and safety obligations;
- future proof service delivery for customers and other stakeholders;
- ensure the long-term needs of the asset are met;
- provide a transparent, accountable service; and
- provide equitable access to services for Kent residents and compliance with the Equality Act 2010.

3. Financial Implications

3.1 Each of the future service options has a different financial impact and will be assessed to ensure financial viability.

3.2 The MTFP targeted savings figure for soft landscape works is currently set at £385k, (15%), beginning in 2018-19. This cannot be absorbed through procurement savings alone and will require reductions in service frequencies.

4. Legal implications

4.1 There are statutory obligations required of a Highways Authority under the Highways Act 1980. These need to be taken into account when developing the options for the future service.

5. Equalities implications

5.1 An initial EqIA screening has been prepared. New or full EqIAs will be conducted to understand positive and negative impacts upon customers as options are being developed.

5.2 Should public consultation be required, a separate EqIA will be prepared to inform the consultation approach and engagement across our customer and stakeholder base.

6. Other corporate implications

6.1 The Soft Landscape review will embed the principles and objectives of the following corporate and partnership strategies:

- KCC's Supporting Kent's physical and natural environment: Corporate Outcomes Framework 2015-19;
- KCC's Supporting business growth: Corporate Outcomes Framework 2015-19;
- KCC's Supporting residents with a good quality of life: Corporate Outcomes Framework 2015-19;
- KCC Commissioning Framework;
- Kent Environment Strategy; and
- KCC's Customer Service Policy 2015-17.

7. Governance

7.1 It is requested that a small, cross party Member Task and Finish Group, is established to support an officer options development group, led by Andrew Loosemore, Interim Deputy Director, Highways, Transportation and Waste, which in turn is accountable to the Growth Environment and Transport Portfolio Board and ultimately through to this Cabinet Committee.

7.2 Previously KCC have utilised Member Task and Finish Groups for a variety of differing scenarios. This has proved successful in the past with, one of the strengths of the process being the detailed and significant contribution of elected members.

7.3 The Member Task and Finish Group will inform and support the review of the soft landscape service and develop available options and draft recommendations to the Cabinet Committee. By using a Member Task and Finish Group, Members will be able to have confidence that the recommended service options will take into account issues of interest and concern for the communities they represent. It is anticipated that the Group will comprise six Member and meet up to five times. Draft terms of reference will be provided to the Group for consideration at the initial meeting.

8. Conclusions

8.1 It is proposed that an Member Task and Finish Group is established to identify outcomes and support development of options for the future soft landscape service.

8.2 A subsequent report with recommendations for decision will be presented to this Cabinet Committee for consideration in March 2016, prior to any public consultation, should it be required.

8.3 The process is subject to an outline timeframe that recognises the procurement and mobilisation periods required to provide new works arrangements in 2018.

9. Recommendation:

The Cabinet Committee is asked to set up an Member Task and Finish Group to inform and identify the priority outcomes for the future of the service.

10. Background Documents

10.1 Contracts List

10.2 Timeline

11. Contact details

<p>Report Author: Richard Diplock – Soft Landscape Asset Manager 03000 413603 richard.diplock@kent.gov.uk</p> <p>Andrew Loosemore – Interim Deputy Director Highways Transportation & Waste 03000 411652 andrew.loosemore@kent.gov.uk</p>	<p>Relevant Director: Roger Wilkin Interim Director of Highways, Transportation and Waste 03000 413479 roger.wilkin@kent.gov.uk</p>
--	---

Appendix 1

Soft Landscape Contracts at 01/10/2015

Aeltem No.	Contract Type	Districts Covered	Supplier	Start Date	End Date	Contract ID
1	Urban Grass, Shrubs and Hedges - Lot 1	Maidstone & Dartford	Grasstex Ltd	01/04/2013	31/12/2017	SS12 33
2	Urban Grass, Shrubs and Hedges - Lot 2	Canterbury & Thanet	Grasstex Ltd	01/04/2013	31/12/2017	SS12 33
3	Urban Grass, Shrubs and Hedges - Lot 3	Sevenoaks, Tonbridge & Malling & Tunbridge Wells	Cleartrack (EvL) Ltd	01/04/2014	31/12/2017	SS13 82
4	Rural Swathe cutting & Visibility Lot 1	Dartford, Gravesham, Sevenoaks, Tonbridge & Malling and Tunbridge Wells	Grasstex Ltd	01/04/2015	31/03/2017	SS14 055
5	Rural Swathe cutting & Visibility Lot 2	Maidstone & Ashford	Grasstex Ltd	01/04/2015	31/03/2017	SS14 055
6	Rural Swathe cutting & Visibility Lot 3	Swale, Canterbury & Thanet	Grasstex Ltd	01/04/2015	31/03/2017	SS14 055
7	Weed control – Lot 1	Dartford, Gravesham, Sevenoaks and Tonbridge & Malling	LanGuard Ltd	01/05/2014	30/04/2016	SS13 75
8	Weed control – Lot 2	Tunbridge Wells, Maidstone and Ashford	Sussex Rail Ltd T/A SRL Environmental Management	01/05/2014	30/04/2016	SS13 75
9	Weed control – Lot 3	Swale, Canterbury & Thanet	LanGuard Ltd	01/05/2014	30/04/2016	SS13 75
10	Arboricultural Works Term Contract Lot 1	West Kent	City Suburban Tree Surgeons Ltd	01/09/2014	31/08/2017	SS13 76
11	Arboricultural Works Term Contract Lot 2	East Kent	City Suburban Tree Surgeons Ltd	01/09/2014	31/08/2017	SS13 76

Appendix 2 - Timeline for Executive Decision - HTW Soft Landscape Works

TASK	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Meet MB: Set terms of reference for ETCC/IMG; review Cabinet Committee Report	2nd Nov													
Submit Report to ETCC	9th Nov													
ETCC Meeting		4th Dec												
Set up IMG														
IMG Briefings														
Develop Soft Landscape Options														
Finalise IMG Option Recommendations; draft Executive Decision Rpt														
Finalise Executive Decision Rpt														
Executive Decision Meeting														
Feed Executive Decision into Category Plan														
Procurement Board														
Market engagement for new soft landscape contracts/arrangements								Swathe contracts				Tree works	Urban Grass, shrubs and hedges	