

**HAMPSHIRE COUNTY COUNCIL****Decision Report**

<b>Decision Maker:</b>	Executive Member - Environment
<b>Date:</b>	14 October 2010
<b>Title:</b>	Review of Highway Weed Control Agency Arrangements
<b>Reference:</b>	1947
<b>Report From:</b>	Director of Environment

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**1. Executive Summary**

- 1.1. The Executive Member for Environment decision of 9 March 2010 required a review of the weed control arrangements to report on revised arrangements for the 2011/12 financial year.
- 1.2. Regardless of the review, action is required to provide for the continuance of the highway weed control element of the service in the Basingstoke and Deane, Eastleigh and Havant district areas in 2011/12.
- 1.3. Besides the three district council agents currently delivering the service, five of the eight remaining district councils potentially are interested in taking over highway weed control.

**2. Background**

- 2.1. Over the past few years several district councils have shown interest in taking over highway weed control under agency agreement. In that time negotiations have taken place twice between the County Council and district councils over the potential transfer of this work, recognising that there are certain advantages to both parties in terms of service delivery. As a result, highway weed control in three district areas – Basingstoke and Deane, Eastleigh and Havant – has been carried out under agency agreement since 2007. Authority for this arrangement was granted, as a one-year pilot, by the Executive Member for Environment on 20 March 2007 and has been extended annually since. Highway weed control in these three areas has never been delivered through the current Term Highways Contract because of this arrangement (apart from the control of scheduled weeds on the highway – Ragwort, Japanese Knotweed, etc – which is delivered through the Term Highways Contract in all areas).

2.2. The trials with Basingstoke and Deane, Eastleigh and Havant Borough Councils have yielded a level of service that is satisfactory but not significantly different from that experienced from the previous highways term maintenance contract. However, the arrangement has been convenient to the County Council in terms of management.

### **3. Reason for the current review**

3.1. The existing pilot highway weed control agency agreements with Basingstoke and Deane, Eastleigh and Havant Borough Councils have to be renewed by Executive Member authority each year. It is desirable to resolve the temporary nature of this arrangement and in so doing include all the district councils in a review of the merits of delivering work through agency agreements or the Term Highways Contract. Accordingly, the Executive Member for Environment decision of 9 March 2010 required a review of the weed control arrangements to report on revised arrangements for the 2011/12 financial year.

3.2. The existing highway weed control agency agreements with Basingstoke and Deane Borough Council, Eastleigh Borough Council and Havant Borough Council expire at the end of the current financial year. Therefore, regardless of the review, action is required to provide for the continuance of the highway weed control element of the service in these district areas in 2011/12.

### **4. Method of the current review**

4.1. Estimates of quantities, together with corresponding Term Highways Contract costs, were collated by district area.

4.2. All those district councils currently not acting as agents for highway weed control (all except Basingstoke and Deane, Eastleigh and Havant Borough Councils) were invited to express an interest in taking over highway weed control and to provide cost estimates. The cost estimates received were compared to the cost of the service as delivered currently in the Term Highways Contract.

4.3. Up-to-date costs of delivering the service were also obtained from the three existing district council agents (Basingstoke and Deane, Eastleigh and Havant). These were compared to the costs if the service were to be delivered in the Term Highways Contract.

4.4. Amey, the County Council's Term Highways Contractor, was consulted on the likelihood of compensation events (contractual claims) in the Term Highways Contract for adding or removing district areas.

## **5. Outcome of the current review**

- 5.1. Besides the three district council agents currently delivering the service, five of the eight remaining district councils potentially are interested in taking over highway weed control.
- 5.2. The cost estimate received from New Forest District Council represents a potential saving if the work in its area were to be transferred to the District Council.
- 5.3. Using the latest estimate of quantities from the Term Highways Contract service activity group, and accepting that the existing district council agents are delivering the service satisfactorily regardless, a saving is being achieved by keeping each of the three areas concerned outside the Term Highways Contract. Alternatively, if the three existing agency agreements were not renewed and the work brought into the Term Highways Contract, the work would cost significantly more than the current cost.

## **6. Termination of Agency Agreements and Annual Funding Allocation**

- 6.1. The existing, established, highway verge maintenance (urban grass cutting, etc) agency agreements with the district councils have termination clauses that enable them to continue without further authority each year. Termination of each of these agency agreements is possible by:
  - (i) either party giving the other one year's notice to expire in April in any succeeding year; or
  - (ii) both parties agreeing to terminate it at any time.
- 6.2. The agency agreements refer to principles of funding allocation, which cover year-on-year inflation and specify that the County Council will pay no more than the actual cost of the work and no more than the sum allocated. These costs are assessed and funding allocated each year. It is anticipated that any new agency agreements resulting from this review would have similar arrangements.

## **7. Discussion**

- 7.1. Originally the work was transferred to Basingstoke and Deane, Eastleigh and Havant Borough Councils because a cost saving was anticipated by so doing, when compared against the former Balfour Beatty Infrastructure Services Limited contract which was then in place. At the time of the report to the Executive Member for Environment on 9 March 2010 it was thought that this saving had not been realised with the new Amey contract. However, using the latest estimate of quantities produced by the Term Highways Contract service activity group, it is apparent that if the work were to be brought into the Term Highways Contract it would cost significantly more than at present. The three borough councils concerned are delivering the service satisfactorily for the costs they have reported.

- 7.2. There are advantages and disadvantages to delivering highway weed control by district councils by agency agreement. The advantages include operational efficiency due to a synergy with other street-scene related work carried out by the district councils and the potential for efficient coordination with activities such as street sweeping and litter picking. Generally the delivery of highway weed control by district councils under agency agreement is considered convenient by operational staff in the Highways Area offices. The disadvantages to the County Council include some loss of direct control over service delivery, cost and year-to-year inflation which might be governed by the contractual commitments and/or policy of the district councils.
- 7.3. The potential cost savings suggested by the outcomes of this review are significant enough to outweigh the disadvantages of carrying out the work under agency agreement.
- 7.4. It is proposed that any highway weed control agency agreements created as a result of this review, including any renewal of the existing agency arrangements with Basingstoke and Deane, Eastleigh and Havant Borough Councils, include termination clauses similar to those in the existing highway verge maintenance agency agreements so that they do not have to be renewed by Executive Member authority each year. The experience of the trials with these three districts should be a sufficient basis for such a decision in respect of any other district council.
- 7.5. Options for reductions in budgets are being discussed separately from this review. If, as a result, reductions in the level of service of highway weed control are proposed, there might be implications on the district council agents' ability or willingness to deliver the highway weed control element of the service. This issue has not been covered by the review.
- 7.6. Some district councils who have not been able to match the County Council's cost may continue to be interested in taking over highway weed control and might request a further review at any time. In order to be able to effect any outcome of such a situation efficiently it would be desirable to be able to do so without the need for Executive Member authority.

## **8. Conclusion**

- 8.1. A cost saving could be made by removing weed control in the New Forest district area from the Term Highways Contract and creating a new agency agreement with New Forest District Council to deliver this work.
- 8.2. A significant additional annual cost would be incurred by terminating any or all of the existing weed control agency agreements and transferring the associated work to the Term Highways Contract.

- 8.3. It is proposed that any highway weed control agency agreements created as a result of this review include termination clauses similar to the existing highway verge maintenance agency agreements so that they do not have to be renewed by Executive Member authority each year.
- 8.4. There are disadvantages to the County Council of delivering highway weed control through agency agreements, including some loss of direct control over service delivery, cost and year-to-year inflation. However, the potential cost savings identified by this review, considered with the advantages, outweigh the disadvantages.
- 8.5. In the immediate term, in order for the weed control in Basingstoke and Deane, Eastleigh and Havant districts to be carried out in 2011/12 it is necessary to obtain authority at least to continue the current arrangement for a further year or else make other arrangements for the work to be done at short notice.
- 8.6. This review has not covered the potential effect of options for budget reductions that might affect the level of service of highway weed control or the district councils' ability or willingness to deliver this work if such options were to be proposed.
- 8.7. It is desirable to provide for the transfer of highway weed control between the County Council and district councils to be authorised by the Director for Environment.

## **9. Recommendations**

- 9.1. That, following the successful pilot projects with Basingstoke and Deane, Eastleigh, and Havant, the County Council's policy approach to arrangements for Highway Weed Control be to seek Agency Agreements with District or Borough Councils, provided this does not prejudice the financial interests of the County Council.
- 9.2. That the delivery of Highway Weed Control in the Basingstoke and Deane, Eastleigh, and Havant district areas by Agency Agreement with each of the three Borough Councils concerned be continued for the 2011/12 financial year.
- 9.3. That Highway Weed Control in the New Forest district area be transferred from the Term Highways Contract to New Forest District Council, to be delivered by Agency Agreement, for the 2011/12 financial year.
- 9.4. That authority be delegated to the Director of Environment to make arrangements, in line with the policy agreed in Recommendation a) above, for the establishment or termination of Highway Weed Control Agency Agreements or for the continuance of Highway Weed Control Agency Agreements (subject to termination conditions such as those included in other established Agency Agreements).

- 9.5. That the control of scheduled weeds on the highway (Ragwort, Japanese Knotweed, etc) be excluded from any Highway Weed Control Agency Agreements proposed in this report, and remain in the Term Highways Contract in all areas.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u> Weed Control – District Agency Arrangements Highway Weed Control Agency Agreements	<u>Reference</u> Item 9 1390	<u>Date</u> 20/03/2007 09/03/2010
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

1.1. No change anticipated.

### **2. Impact on Crime and Disorder:**

2.1. No change anticipated.

### **3. Climate Change:**

a) How does what is being proposed impact on our carbon footprint / energy consumption?

By transferring the work to district councils there is potential for a modest reduction in the carbon footprint of the overall operation, specifically transport emissions, due to the opportunities for coordinated operations.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No significant impact.