

CABINET

15 December 2004

HIGHWAYS AGENCY AGREEMENTS

REPORT OF CITY SECRETARY AND SOLICITOR

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RECENT REFERENCES:

Traffic Management Partnership Agreement (CAB 423) – Cabinet 24 July 2002

EXECUTIVE SUMMARY:

The City Council entered into an agreement in 2003 with Hampshire County Council (the Highway Authority), whereby the City Council agreed to act as agent for the Highway Authority in traffic management matters. Negotiations have been undertaken with a view to continuing the existing agency arrangements for three other functions (development control engineering advice, highway grass cutting, and capital schemes management). This report sets out the outline terms of the proposed agreements, and seeks authority to enter into them. The arrangements are substantially similar to the current arrangements.

RECOMMENDATIONS:

That the City Secretary and Solicitor be authorised to enter into agency agreements for Development Control (engineering advice), Grass Cutting, and Capital Schemes (management) as set out in the Report, on terms to be determined by the City Secretary and Solicitor.

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DETAIL:

1 Introduction

- 1.1 For several years, the City Council has acted as an agent for the County Council (the highway authority), carrying out various highway functions on the County's behalf. Until 2003, these included highway maintenance in Winchester, although those arrangements (along with similar arrangements in other districts) were terminated and taken back by the County Council following a review of the service.
- 1.2 As well as the maintenance function, the City Council has also carried out grass cutting, capital projects management work, and development control engineering advice under agency arrangements.
- 1.3 The County is seeking to formalise these arrangements under new agreements. These are based on a form of agreement already entered into by the City Council in respect of traffic management arrangements in September 2003.

2 Grass Cutting

- 2.1 This agency covers the cutting of highway grass verges, and shrub and hedge maintenance, in urban areas (rural work will be carried out by the County Council using its existing highway maintenance contractor). The agreement covers all urban areas throughout the District. "Urban areas" are defined by reference to speed limits applicable on the road in question (40mph or less)
- 2.2 Since 1993, the City Council has carried out this work as agent for the County, and at the same time enhanced the standard of grass cutting by increasing the number of cuts. The County Council as highway authority is only legally obliged to ensure that the verges are maintained to a standard that means that highway users are safe (e.g. maintaining sightlines, etc). This means that the cutting will not be to the higher amenity standard which the City Council might wish to see, and it is for this reason that until this year, the City Council has itself funded the additional cuts, to enhance the appearance of highway verges (10 additional cuts, at a cost of approximately £40,000). For 2004/5, the City Council decided (as part of budgetary savings) to cease paying for additional cuts on highway land, and although there is a benefit in having the same contractor carrying out the work on both highway land and City Council land, the differential in standards (in terms of numbers of cuts) consequent on this budgetary change has led to complaints that areas are being missed and not kept to the same standard. Although there is an explanation for this, as set out above, the reasons for this differential treatment is not always clear to the public.
- 2.3 As the agency agreement is aimed at discharging the highway authority's obligations, it is funded to the lower number of cuts (currently six per year, although it is possible

that this might be increased to seven for next year). It does not require the City Council to enhance the number of cuts, and the City Council can therefore determine whether it wishes to fund additional cuts for amenity purposes. There will be no need to consult the County Council or seek its agreement to increasing or decreasing cuts, provided the minimum (highways) standard is maintained.

- 2.4 Previously, maintenance work on highway trees had been included in the agency arrangements. However, given the level of work involved on this aspect, the City Council has requested that it is excluded from the agency agreement, and this has been accepted by the County Council.
- 2.5 Under the terms of the agreement, the County will pay for the specified number of cuts per year, and the operational expenditure incurred in discharging these functions, up to a level set out in a budget which the County will approve each year. A management fee for the administrative and technical support services associated with the agency will also be paid, again subject to an annual review. Under the agreement, the County Council is obliged to have regard to commitments made by the City Council to contractors and suppliers, before the County revise any approved budget.
- 2.6 The cutting of highway verges and shrub maintenance is already included in the Depot Services contract run by Serco, and therefore there will not be any need to carry out a further tender exercise for this work following the signing of the agreement.
- 2.7 Shrub beds have limited resources allocated to them under the agency arrangements (approximately £5,000 per annum), and therefore maintenance has to be limited to cutting back for sight lines and overhanging growth on footpaths. Discussions on an appropriate budget provision for this work are ongoing with the County Council, and it is hoped that a higher figure can be secured.
- 2.8 Clearly, grass cutting is important to maintain safe use of highways. The Council's existing insurances will cover any liability it may face as a result of failure to cut the grass to the requisite standard, and Serco also carry similar insurance under the requirements of the Depot Services Contract.
- 2.9 The agreement is likely to start on 1 January 2005, and will continue from year to year, until terminated by one year's notice (to expire on 1 April in any year). The City Council's arrangements with Serco include provisions to vary the requirements, which will therefore allow flexibility in the event of funding changes in the future, or if the agreement is terminated.

3 Capital Projects Management Work

- 3.1 This agreement concerns the project management of capital schemes which are included in the County Council's annual Transport Capital Programme, and externally funded capital schemes. Examples include City Road/Station Hill Junction Improvements, Stockbridge Road/Stoney Lane Junction Improvements, Chesil Street/Bar End Pedestrian Improvements, Construction of Park & Ride Extension at Bar End and works to Land in Mitigation site at Magdalen Hill and recently the Pedestrian Safety Improvements at St George's Street/Brooks Street.
- 3.2 The work therefore comprises technical engineering design and contract management (as opposed to the physical construction of the scheme, which would

be tendered to suitable contractors). Officers in the Engineering Services Section of Development Services would carry out these services.

- 3.3 As in the case of Grass Cutting, the Capital Projects Agency Agreement would commence on 1 January 2005 and continue until terminated by one year's notice on either side, to expire on 1 April in any year.
- 3.4 Schemes are allocated to the City Council by the County's Director of Environment, having regard to the skills and resources available to the City Council. The Engineering Service staff have the necessary experience and expertise to undertake the projects which would be allocated under the agreement. The agreement provides that the City Council can decline work if it wishes.
- 3.5 Schemes can include land acquisition and compensation. Normally the County's Head of Estates Practice would undertake the negotiations for this work, although the City Council can agree to provide these services, in which case the negotiations would be carried out by the Chief Estates Officer, and the County Council would be responsible for payment of acquisition costs and compensation which might be payable. Conveyancing work would be undertaken by the County Council's own legal staff.
- 3.6 As these services include the provision of design work, professional indemnity insurance cover has been secured, in the sum of £5,000,000, which should be adequate for any claims which might be made under the agency agreement.
- 3.7 Funding for the services is on the basis of an agreed annual budget, and subject to this limit, the County Council will reimburse operational expenditure incurred in providing the agency services.

4 Development Control Engineering Advice

- 4.1 This Agency Agreement covers highway and transport advice to the City Council's planning officers in relation to planning applications. The County Council (as Highway Authority) is a consultee on planning applications, to ensure that highways and transportation issues are properly considered before applications are determined. Since 1993, City Council engineering staff have responded to certain planning applications under an agency agreement. The extent of the agency depended on the size of the development, on a threshold basis, although the limits were lower than those proposed under the new arrangements (paragraph 4.3 below). Responses in respect of larger schemes were made by County Council officers.
- 4.2 Following a best value review of the County's highways operations, certain work (such as supervision and adoption of new estate roads) which had previously been included in the agency arrangements was taken back by the County Council, and two staff transferred from the City to the County Council as a result.
- 4.3 The proposed agreement provides for City Council staff to exercise various defined functions of the Highway Authority (County Council) throughout the whole of the district. The functions are:-
 - a) Advice on the highways and transport implications of "Minor Planning Applications" (both informally and in response to a formal consultation), including evidence at planning appeals;

- b) Entering into planning obligations for financial contributions of up to £50,000.

“Minor Planning Applications” are defined as applications which:-

- i) do not require works on the highway; and/or
- ii) do not require financial contributions greater than £50,000; and/or
- iii) are below threshold limits (100 houses, non-food retail up to 2000 square metres, food up to 1400 square metres, offices up to 3000 square metres, and industrial/warehousing up to 4500 square metres); and/or
- iv) do not affect a motorway or trunk road

The threshold limits in (iii) are higher than under the previous agency arrangements. Advice and agreements which relate to applications falling outside these limits will continue to be dealt with by the County Council.

- 4.4 The County Council will set budgets for the provision of advice under the agency agreement, as they have done under previous arrangements. This is based on an agreed number and grade of technical staff, together with oncosts.
- 4.5 The Development Control Engineering Advice Agency Agreement would commence on 1 January 2005 and continue until terminated by two years' notice on either side, to expire on 1 April in any year.
- 4.6 Planning obligations for contributions up to £50,000 would be dealt with by the City Secretary and Solicitor's Legal Section. The costs of the legal work would be met by developers who are asked to enter into such obligations.

5 Staffing Issues

- 5.1 For all these agency agreements, there are existing staff in place.

6 Summary

- 6.1 The three proposed agreements are based on the Traffic Management Agreement which was entered into in September 2003. The agreements allow the City Council to retain professional staff and have an input into the quality and standard of work and services which would otherwise be provided by the County.

OTHER CONSIDERATIONS:

7 CORPORATE STRATEGY (RELEVANCE TO):

- 7.1 The agency agreements are an example of partnership working. The Council has committed itself to working with partners to ensure services are provided in ways that best meet the needs of residents. They will also impact on Key Priority 2 (Green Agenda – sustainable transport plans)

8 RESOURCE IMPLICATIONS:

- 8.1 Funding for the agency services is provided by the County Council to a budget which is set on an annual basis. In the event that funding was reduced to an extent that the City Council's costs in carrying out the agency functions, the City Council could seek to renegotiate the level of work provided, or it could terminate the agreement. The agreements all require the County Council to take account of existing commitments

before revising budgets. The City Council is not required to provide services over and above the level for which it is funded.

- 8.2 The additional works undertaken for grass cutting cost the Council approximately £40,000 pa until they ceased this year. The capital projects are undertaken at cost so there is no net cost to the Council. The Development Control advice costs approximately £70,000 pa.

BACKGROUND DOCUMENTS:

Draft agency agreements and related correspondence.