

REPORT TITLE: FUTURE OF THE TRAFFIC MANAGEMENT & DEVELOPMENT
MANAGEMENT AGENCY AGREEMENTS WITH HAMPSHIRE COUNTY COUNCIL.

CABINET

7 DECEMBER 2016

PORTFOLIO HOLDER: Cllr James Byrnes Transport & Professional Services

REPORT OF ASSISTANT DIRECTOR ENVIRONMENT

Contact Officer: Simon Finch Tel No: 01962 848271 Email
sfinch@winchester.gov.uk

WARD(S): ALL

PURPOSE

The City Council carries out certain traffic management (TM) functions on behalf of Hampshire County Council (HCC) which is the statutory Highway Authority, under an agency agreement. There is a similar agreement for provision of highway engineering advice in relation to development proposals dealt with by the Council's Development Management team (DM). These functions are funded by HCC and equate to 1.8 FTEs for TM and 2 FTEs for DM.

The County Council is changing its policy and approach regarding both TM and DM work which will see funding reductions to those Districts with agency arrangements. The work currently funded by the County in relation to TM will be substantially reduced and would support less than 1 FTE by 2018/19. In fact, most of the type of work currently carried out by these officers and familiar to many local communities would stop, or at least be substantially reduced, as it would not be supported financially by HCC. .

In respect of DM, the County is introducing standing advice for smaller development proposals which will replace the need for bespoke advice provided by an engineer. The subsequent funding reduction would support 1.5 FTEs.

There are effectively three options for both TM and DM in the future which Cabinet can consider:

1. Terminate the agency agreements for either TM or DM or both on the basis that there is no benefit in the reduced activity being carried out at a local level.
2. Continue to deliver the TM and DM functions for HCC with a reduced level of

service which reflects the new policies/approach to the delivery of such functions in line with subsequent funding adjustments.

3. Continue to provide a comparable level of service for TM and DM, with the City Council funding the difference between HCC contributions and the total costs of providing these services, and generating additional income by introducing charges for DM external highways advice which should help to offset some of the reduction in funding from HCC for this service.

For the reasons explained in the report below, Option 3 is recommended because it will enable a more local approach to delivering a TM service which continues to deal with some of the traffic problems that frequently arise in Winchester, the market towns and villages, and which deliver real benefits to the District's residents and other interest groups.

Maintaining the existing level of service for DM will have benefits to the Council, in terms of how efficiently it is able to make planning decisions, and having engineering advice available "in-house" has other advantages in terms of supporting Council projects and its house building programme.

RECOMMENDATIONS:

That:

1. The City Council continues to provide the comparable service levels from 2017/18, whilst noting the reduction in agency income from Hampshire County Council.
2. That charges be introduced for pre-application highways engineering advice, to help off-set the reduction in income received from the County Council.
3. That the Assistant Director Environment, in consultation with Head of Finance and Head of Development Management, be authorised to determine the level of charges for pre-application highways advice, such charges to be set at a level which ensures that such advice can continue to be made available.

IMPLICATIONS:

1 COMMUNITY STRATEGY OUTCOME

- 1.1 Continuing to operate the TM and DM functions on behalf of HCC at comparable levels to the existing service helps the City Council deliver its High Quality Environment outcome of effective traffic management and support for transport provision.

2 FINANCIAL IMPLICATIONS

- 2.1 Option 3 is recommended and would mean that the City Council would need to find the following funding to maintain current service levels::

- TM – the HCC agency contribution towards Staff and other costs will reduce by £42k in 17/18 and £60k from 18/19 onwards. HCC's contribution after this date is not known at this point and could be further reduced, thus increasing the City Council's contribution. By 2018/19, running a comparable TM programme to the existing would therefore cost the City Council about £64k per year (staff and other costs) which would have to be funded by growth bids.
- DM – the HCC agency contribution towards Staff costs will reduce by £27k per annum commencing in 17/18. HCC's contribution after this date is not known at this point and could be further reduced thus increasing the City Council's contribution. It is proposed to introduce charges for highways advice. This is predicted to generate approximately £15k per annum. This would leave around £12k shortfall which would need to be funded by a growth bid to the general staff budget.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

4 WORKFORCE IMPLICATIONS

- 4.1 In the event that the Council decides not to take Option 3 and instead resolves to follow Options 1 or 2, there is likely to be a reduction in service provision resulting in a potential redundancy situation. If this is the case, there is a statutory duty to consult with staff and trade unions ahead of any proposals being implemented.
- 4.2 While the Council would seek to avoid a redundancy situation through redeployment, it is recognised that the officers involved have specialist skills which could potentially limit the options for redeployment.
- 4.3 In the event that redundancy cannot be avoided, the Council would need to pay redundancy payments and any associated pension strain charges.

4.4 If the Council resolves to follow Options 1 or 2, officers will need to identify the anticipated redundancy costs which would apply to those concerned.

5 PROPERTY AND ASSET IMPLICATIONS

5.1 None

6 CONSULTATION AND EQUALITY IMPACT ASSESSMENT

6.1 Consultation has been undertaken with the Portfolio Holder for Transport & Professional Services, who is supportive of the recommendations.

7 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property None</i>		
<i>Community Support N/A</i>		
<i>Timescales N/A</i>		
<i>Project capacity</i>		
<i>Financial / VfM</i>		
<i>Legal N/A</i>		
<i>Innovation N/A</i>		
<i>Reputation</i> Reduction or cessation of TM service provided by WCC (including its recovery by HCC) will reduce the scope of traffic management work undertaken across the District and will mean the Council will no longer be able to introduce measures to deal with many traffic issues which arise and this could attract criticism from local communities.	Continue to operate the current level of TM service as recommended in this report, but if this option is not accepted then explain HCC's revised TM policy and how this affects the level of service provided.	
<i>Other</i>		

8 SUPPORTING INFORMATION:

Background.

8.1 For a number of years, the City Council has provided a Traffic Management service (TM) and Development Management highway engineering advice

service (DM) under an agency arrangement for the Highway Authority, Hampshire County Council (HCC). The services remain County Council services but the delivery is local and effectively integrated with other City Council activity. The County Council provides the funding for these services and sets the policies on which judgements and expenditure are based.

- 8.2 In relation to TM, the Council currently receives approximately £87,000 per annum to support 1.8 FTEs, and these officers form part of the Engineering and Transport Team. They carry out a number of activities for HCC but the main bulk of their work involves the development and delivery of a Traffic Management Programme which deals with proposed traffic regulation orders (residents' parking permit schemes, waiting restrictions such as single and double yellow lines). They also provide advice to the Safety Advisory Group on transport matters and deal with bus shelters and minor rechargeable works, as well as undertaking some activities for the City Council which are outside the work funded by HCC. In order to support this work, HCC also provides budgets for works and advertisements which amount to £32,000 and £4500 respectively in 2016/17.
- 8.3 The DM agency function consists of 2 FTEs based in the Development Management Team. They provide the highway engineering advice of the Highway Authority on planning applications/pre-application enquiries and appeals and enforcement investigations (where required), as well as giving guidance to other Council teams dealing with project work. In addition, they offer external advice directly to land owners, developers and agents who are looking to bring forward development proposals. The County Council currently provides funding of £105k for these posts.

Hampshire County Council's Change of Policy for Traffic Management and Development Management

- 8.4 The County Council has reviewed its approach to TM and has developed a policy which means that new measures, such as TROs, will only be considered by them where they are designed to deliver casualty reductions. This was explained in a report considered by the County Council's Executive Member for Environment and Transport in May this year (see background documents below). The result of this is that there will be fewer interventions in the management of traffic across the County. Funding for those district councils (such as Winchester) that deliver the service for them will be reduced. The planned reduction is to be introduced over 2 years, with a reduction of 40% being made in 17/18, rising to 60% in 18/19. This equates to staff funding equivalent to less than 1 FTE engineer in 2 years' time. However HCC has indicated that there will be scope under the agency agreements for flexibility at the local level, which will enable district councils to continue to carry out some TM functions in line with existing arrangements, subject to them providing the necessary funding
- 8.5 In relation to DM, the County Council is in the process of drafting standing advice which will be used by planners and developers to provide highway

guidance for smaller scale development proposals of up to 5 houses and will replace bespoke advice given by a highway engineer. This will result in a reduction in funding of about 25% in 17/18.

City Council Options

- 8.6 The agency agreements for TM and DM are voluntary arrangements between the City and County Councils. There is no obligation therefore for the City Council to continue with either agreement and if they were terminated, both functions would be provided directly by HCC in accordance with their new policies.
- 8.7 The City Council needs to decide how to respond to these changes which result in significant funding reductions. There are effectively three options available:
1. Terminate the agency agreements for either TM or DM or both.
 2. Continue to deliver the TM and DM functions for HCC with a reduced level of service which reflects the new policies/approach to the delivery of such functions in line with funding adjustments.
 3. Continue to provide a comparable level of service for TM and DM, with the City Council funding the difference between HCC contributions and the total costs of providing these services, and generating additional income by introducing charges for DM external highways advice which should help to offset some of the reduction in funding from HCC for this service.
- 8.8 Dealing first with TM, it is considered that continuing with an agency agreement in line with HCC's new approach with reduced funding (Option 2) would serve little purpose, since much of the work currently undertaken, particularly in relation to the TRO programme, would be removed from consideration. This is often the type of work which achieves the most benefit for residents, because it enables the City Council to apply local knowledge to issues such as commuter parking in places like Winchester or Shawford or inconsiderate parking in towns and villages which detrimentally affects homes and businesses. In effect, a substantially reduced level of resource would deliver relatively little productive work and less than 1 FTE officer(s) to do it.
- 8.9 This being the case, the City Council could opt to stop providing a TM service for HCC (option 1). Any TM measures which would be in line the new policy would be handled directly by HCC, as they would recover the service. However, it is considered that this would not best serve communities across the District, as relatively few schemes would be actioned (for the same reasons as Option 2). This option would offer no solutions for problems like commuter parking.
- 8.10 The third option is for the City Council to provide funding to run a comparable level of service to that which is currently delivered. HCC has confirmed that, subject to being able to agree the TRO programme annually (which is already

their prerogative under the agency agreement), it would have no objection to this. This would enable the City Council to implement TM measures designed to deal with commuter and other parking issues which arise in Winchester, the market towns and villages which would otherwise no longer take place.

- 8.11 In terms of resources, operating a similar level of service to the current model (1.8FTEs) would cost, in staff terms, about £87,000. Recent staff changes in the Engineering and Transport mean that there would be a need to fund 1.6 FTE (£77k per annum) of which £52,000 would be funded by HCC in 2017/18, dropping to £35,000 by 2018/19. In 2018/19 therefore, the City Council would need to fund around £42,000 of staff costs. In terms of other costs associated with this activity (works and advertising), funding of about £22,000 would need to be found by the City Council, making a total of c£64,000 by 2018/19 and beyond. HCC funding for 2019/20 and after is not known at this point so it is possible there may be further reductions in their contribution, which would necessitate a further review of the service at that point.
- 8.12 It is considered that maintaining a similar TM programme would have significant benefits to communities all over the District, justifies the modest level of funding involved of about £64,000 per year and provides good value for money. The Council has a significant number of off-street car parks to manage, and effective TM, whilst dealing with on-street parking issues, is a related and complementary activity.
- 8.13 In relation to DM, the introduction of standing advice to replace guidance from highway engineers would see a reduction in HCC funding of about 25% (£105k to £78k). However, there is concern about the use of standing advice for smaller scale developments, as even proposals for 5 or fewer dwellings can raise significant issues which really require a bespoke engineering response to inform the planning decision. Retaining the current level of resource would provide better support for the Council's Development Management Team, including at Planning Committee where Highway Engineers often attend to provide guidance on traffic-related matters. If the service was recovered by HCC, it is likely that most Committees would not benefit from having Highway Engineers available to respond to Members' questions. Furthermore, having this level of service means that Council projects, including the New Homes Delivery housing programme, benefits from engineering input at an early stage, as schemes are being developed, which helps at the planning application stage further down the line. Reducing the current level of resource would be likely to adversely affect this arrangement.
- 8.14 Furthermore, it is proposed to introduce charges for external highway engineering advice. This will generate income and should help to reduce the gap between the cost of the 2 FTEs and lower levels of funding from HCC. In 17/18, the difference would be about £27000. It is estimated that charging for advice could provide £15000 per annum. The difference of some £12000 would need to be funded by a growth bid.

Conclusion

- 8.15 It is considered that operating the current TM arrangements, which enable the City Council to deal effectively with most parking and other transport related problems, brings significant benefits to residents and businesses in settlements across the District who suffer the negative effects of uncontrolled on-street parking, whether this be in the form of introducing waiting restrictions (single/double yellow lines) or residents' permit parking schemes. Such interventions make a real difference to people's lives. Consequently, it is recommended that the Council funds a comparable programme.
- 8.16 Similarly, maintaining the present level of DM highway engineering advice will ensure planning applications, appeals and enforcement cases are dealt with in a timely manner and will help to bring forward the Council's own projects.
- 9 **OTHER OPTIONS CONSIDERED AND REJECTED**
- 9.1 The alternative options for either reducing the current level of TM and DM services in line with reduced funding from HCC, or terminating the highway agency agreements altogether, have been dealt with above in Section 8.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

None

Other Background Documents:-

Hampshire County Council - Highways Development Control and Traffic Management Agency Arrangements Update -

http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=0&pref=Y&item_ID=7740&tab=2&co=&confidential=

Hampshire County Council Future Traffic Management Policy

http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=7468&tab=2&co=&confidential=

Hampshire County Council - Highways Development Control Arrangements

http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=7279&tab=2&co=&confidential=

APPENDICES: None.