Revised Hampshire County Council Highways Agency Agreements

Cllr Hayley Eachus, Cabinet Member for Regulatory Services and the Environment
Cllr Mark Ruffell, Cabinet Member for Planning and Infrastructure

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Report to: Cabinet for decision
Ward(s): All
Key Decision: Yes

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Papers relied on: Draft HCC Highways Agreements

1 Foreword -

1.1 Cllr Hayley Eachus, Cabinet Member for Regulatory Services and the Environment

I am pleased that the Borough Council has managed to come to an agreement with the County Council to maintain the existing quality standards for our high priority highways maintenance services in the borough and that this has been achieved at no additional cost to the council.

1.2 Cllr Mark Ruffell, Cabinet Member for Planning and Infrastructure

The new Traffic Management agreement whilst representing a reduction on funding from the County Council allows the Borough Council to continue the implementation of traffic management and parking measures on highways to address traffic safety issues and parking problems in the borough. The move towards standing advice for smaller planning applications will need to carefully monitored to ensure that the planning decisions continue to be informed by adequate technical highway advice.
Recommendation to Cabinet

Cabinet is requested to approve the following:

1. Highways Environmental Management: To retain the revised Environmental Management (EM) service level agreement with Hampshire County Council (HCC) with any funding shortfall being met through other financial efficiencies in the Operations team.

2. Highways Agreement Traffic Management: To continue to implement the HCC Traffic Management service using the existing TM policies, and to fund the expected funding shortfall, from service savings, at a net annual cost to the council of £59,800 from 2017/18.

3. Hart District Council HCC Environmental Management Highways Agreement: It is recommended that (subject to the agreement of Hart DC), the HEM agency service with HCC is retained by the council in Hart district.

Cabinet are requested to note the Highways Agency Development Control changes.
2 Background, corporate objectives and priorities

Hampshire County Council (HCC) informed all district councils in January 2016 of HCCs proposals in respect of the following highways agency agreements:

2.1 Highways Environmental Maintenance (HEM)

2.1.1 Basingstoke and Deane Borough Council (the council) carries out grass cutting, shrub and hedge maintenance on behalf of HCC. Additionally the team have for a number of years been responsible for arranging weed control works on county highways and footpaths.

2.1.2 As part of the existing HEM agency agreement, the council’s tree team provides a management and maintenance service for approximately 10,000 trees located upon the highway.

2.2 Traffic Management (TM)

2.2.1 The TM agency agreement (dated 1 April 2009) provides the council powers to develop and implement Traffic Regulation Orders and provide other non-moving traffic management activities/services (e.g. brown ‘tourist’ signage). The agreement also allows (with HCC’s agreement) to undertake activities that relate to moving traffic activities (e.g. banned turns, speed limits, traffic calming).

2.2.2 HCC reimburses all the direct operational and works costs, (including signing and marking of on-road parking restrictions) and also currently meets staffing and administrative costs.

2.3 Highways Development Control

2.3.1 The council exercises HCC powers in relation to highways development control. This includes giving advice in respect of planning applications and entering into planning obligations on highway and transport matters in accordance with the terms of the agency agreement.

2.3.2 The driving principles behind the review of these agency functions was to find efficiencies and deliver revenue budget reductions. HCC has now completed the review of the highways agencies and are now requesting the council to formally agree the revised terms and funding arrangements.

2.3.3 Carrying out the functions of the Hampshire highways agency agreements compliments the core council services, and supports the key Council Plan priority of **Improving residents’ quality of life** and the cross cutting theme to ensure we remain a low tax council; drive efficiency; use technology to improve customer access, speed up processes, transactions and decisions; and to enter into partnerships and service delivery arrangements that improve service and reduce cost.
3 Main considerations

3.1 Executive Summary

3.1.1 Hampshire County Council (HCC) has provided formal notice to the council in regard to the revised Highways Agency arrangements in respect of Environmental Management (EM), Traffic Management (TM), and Development Control (DC).

3.1.2 The main changes to the agency agreements relate to HCC taking back the maintenance of trees on the highway, reductions in funding for highways weed spraying, reductions in funding and income for traffic management (TM), and reductions in funding for development control (DC) functions.

3.1.3 A comprehensive staff communication plan has been in place in respect of the highways agency functions. Unions and affected staff have been made aware of the HCC decision as and when this has been communicated to the council.

3.2 The Proposal

Key issues for consideration

3.2.1 Highways Environmental Management
3.2.1.1 In March 2016 Hampshire County Council (HCC) confirmed the termination of the existing highways agency agreement under which the council is responsible for maintaining urban grass and hedges on the roads in the borough, the Highways Environmental Management (EM) agreement.

3.2.1.2 HCC has set out the intention for these new arrangements to be introduced in the 2017/18 financial year and confirmed that this work would be included in a new Hampshire Highways Services Contract (HHSC). The HCC decision also has implications for the work the council undertakes on behalf of Hart District Council under the Shared Services arrangements.

3.2.1.3 HCC advised that they would be in a position to share the outcome of the HHSC tender exercise with the council in early August, in order to facilitate a dialogue about future EM service delivery arrangements in time for the 2017/18 financial year. HCC provided an early indication on the requirement to bring what is currently paid to the council commercially in line with the initial HHSC tendered prices.

3.2.1.4 HCC have agreed to fix the level of funding for grass, shrubs and hedges maintenance and there is likely to be no change to its current financial allocation for the financial year 2017/18, with a further indication that the funding is likely to continue at the same level in the following year (2018/19).

3.2.1.5 Further changes to funding levels may be made by HCC after the two year period has lapsed. The council has raised concerns that the two year funding guarantee will have an impact on future planning of staff, and plant and equipment provision.

3.2.1.6 Weed Killing: The council will see a reduction in its annual allocation of 25% for weed spraying for the financial year 2017/18 as the new HHSC rates are based on one weed treatment only. This change results in a loss of funding of £14,300 for the next two years.

3.2.1.7 For the current financial year (2016/17) HCC has agreed to pay the council a total sum of £274,400 for urban grass cutting, shrubs and hedge maintenance and weed killing. The revised figure for 2017/18, and 2018/19, is £260,100.

3.2.1.8 Highway Trees: Under the new agreement the maintenance of Highway trees will become the responsibility of HCC. Accordingly the budget for these works will be retained by HCC for this purpose. This work is currently managed by the council with works required being contracted to third parties. Staff reductions from 2017/18 have been facilitated through the management of vacancies within the team.

3.2.1.9 It is anticipated that the level of service offered by HCC for trees on highway land will be below that currently offered by the council. Suitable arrangements, including appropriate communication arrangements will need to be put in place by April 2017 to ensure residents have a clear process for making complaints and other enquiries about highway trees through HCC’s contact centre.

3.3 Highways Traffic Management
3.3.1 The Engineering team within Streetscene, Parks and Regulatory Services provides the following priority services:

- Traffic management input for car parks and other council owned land, and on behalf of HCC under the TM Agency agreement.
- The council’s parking in residential areas capital programme;
- An engineering design/project management service to other units the council (for example allotments, cemeteries, parks etc);
- Input on corporately important projects (e.g. Black Dam r/bout, Leisure Park, etc.) including planning drainage advice.

3.3.2 The HCC funding allocations to the council for TM for 2017/18 and 2018/19 respectively are as shown below, with the current allocation for reference:

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<th>2016/17 (Current allocation)</th>
<th>2017/18 (40% Reduction)</th>
<th>2018/19 (60% Reduction)</th>
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3.3.3 The above represents in direct funding and a reduction in income from HCC temporary traffic road orders (TTOs). Maintaining existing levels of the service in the borough, will result in an estimated service cost pressure of £60,000 from 2017/18. This shortfall has been met from budget savings in the service and has been included in the three year MTFS.

3.3.4 HCC have advised that district councils can retain the flexibility around the application of traffic management arrangements available under the current policies which supports the council’s priorities in this regard. However, some of these measures will need to be funded using the reduced HCC funding indicated above, or further funding would need to be identified by the council. HCC will also continue to allow the council to generate some income from non-HCC TTOs.

3.4 Highways Development Control

3.4.1 To assist in delivering these savings, HCC has proposed that in future highway advice for schemes of five dwellings or fewer will be provided by way of standing advice (SA). In practice this would mean planning officers assessing these applications against the SA and forming a view on the highways implications of a development. The reduction in budget has been reflected in the Council budget for 2017/2018. Standing advice will be implemented from 1 April 2017. A Member briefing will be arranged to explain how standing advice will be interpreted.

3.4.2 HCC advised the council on 30 September that the 2017/2018 settlement for the Highway Development Control (DC) agency would be £87,129. This compares to a figure for 2016/2017 of £141,660 which funded a team of one principal highway engineer and two senior highways engineers. The direct salary costs of the remaining two posts is £93,504. This means that there will
be a shortfall of funding of £6,375 which can be met from ongoing salary savings.

4 Corporate implications

4.1 Legal Implications

4.1.1 Legal Services colleagues have supported the respective service areas and are satisfied with the suitability of the three revised highways agreements.

4.2 Financial implications

4.2.1 The financial implications arising from this report are provided for in the respective agency agreement information above. The net cost of the reduction in funding as a result of the agency changes is £80,475 and is broken down as:

- Weed control - £14,300
- Traffic Management - £59,800
- Development control - £6,375
  
  **Total** £80,475

4.2.2 These additional costs will be met from efficiency savings in the service.

4.3 Risk management

4.3.1 A risk assessment has been completed in accordance with the council’s risk management process and has identified no significant (Red or Amber) residual risks that cannot be fully minimised by existing or planned controls or additional procedures.

4.4 Equalities implications

4.4.1 There are no direct Equalities implications associated with this report.

4.5 Consultation and communication

4.5.1 A detailed consultation plan has been produced and used throughout this process to ensure that staff involved were fully engaged and provided with suitable support.

4.6 HR implications

4.6.1 The HR implications are detailed within the body of this report in relation to the three respective agency agreements.

5 Conclusion

5.1 Summary and reason for the decision
5.1.1 Cabinet are requested to formally approve the revised Environmental Management (EM) and Highways Traffic Management (TM) service agreements with Hampshire County Council (HCC), with any funding shortfalls to be met through other financial efficiencies. Cabinet are also requested to note the changes to the Highways Development Control agency agreement.

5.2 The options considered and rejected

5.2.1 A decision not to enter into these revised highways agreements has been rejected. The council wishes to retain the ability to maintain the existing high quality standards for the priority highways maintenance, and to retain the traffic management services to ensure we continue to address traffic safety issues and parking problems in the borough.

Date: 14 March 2017
Decision taken by: Cabinet

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<tr>
<th>Lead officer</th>
<th>Colin Rowland Head of Streetscene, Parks and Regulatory Services</th>
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<td>Report author</td>
<td>Colin Rowland</td>
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<td>Confidentiality</td>
<td>It is considered that information contained within this report and appendices do not contain exempt information under the meaning of Schedule 12A of the Local Government Act 1972, as amended, and therefore can be made public.</td>
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