



CABINET - 5 JUNE 2002

HIGHWAYS AGENCY REVIEW UPDATE

1. INTRODUCTION

- 1.1 Hampshire County Council have been conducting a review of their Highways Agency arrangements, in consultation with the Districts, since 1999. During the past months a number of reports have been prepared informing Members of the process. The review did not include highways development control and grounds maintenance delivery remains unaffected.
- 1.2 Member and Officer meetings have continued and the outcome was the development of a "Blueprint". The County Council gave authority for Officers to progress the detailed planning and discussions with District agents in broad accordance with the Blueprint proposals at the Policy and Resources Committee meeting on 17 July 2001. At that meeting the prospective Executive Member, Councillor K B Estlin, gave an undertaking to meet with each District at Member level. The meeting with New Forest took place on Friday 1 March.
- 1.3 This report informs Cabinet of the outcome of the meeting and the negotiations that preceded it.

2. BACKGROUND

- 2.1 The County's review focused upon three distinct areas:
 - i. Customer Interface
 - ii. Member Interface
 - iii. Service Delivery
- 2.2 Customer interface is to be improved by the introduction of a new customer services system. The New Forest District Council system was considered as a strong contender but it was decided to buy an "off the shelf" product which complements other specialist management information systems.
- 2.3 Member interface is to be maintained by the introduction of a Joint Member Panel meeting twice a year under the chairmanship of the County Executive Member or a specified deputy. Membership of the Panel will comprise all of the local County Councillors and an equal number of District Councillors.
- 2.4 Service delivery is to be via a network of four area Highway Units each managing a number of sub units and under the management of a Chief Engineer. The county is to be divided into four areas, not surprisingly New Forest is within the western area together with Test Valley to be managed from a unit based at Totton.
- 2.5 The County recognise that highways network management (highways maintenance, management of the highway, street lighting and traffic management) are best

delivered locally. With the exception of routine traffic regulation matters it is envisaged that County Council employed staff will deliver this service from District Council offices working alongside District staff. The District Councils are being offered the opportunity to provide the management of routine traffic regulation on behalf of the County across the whole of their District.

- # 2.6 The details of the proposals are contained within the report to the County Executive Member dated 15 January 2002, attached for information as Appendix 1.

3. NEW FOREST DISTRICT COUNCIL'S ASPIRATION

- 3.1 The principle of partnership working supporting the Blueprint has been fully supported, however, it was this Council's view that greater efficiencies and better service delivery was achievable by the integration of common areas of work.
- 3.2 The County Council wished to manage the strategic elements of highways maintenance and this was not in dispute. The highways management aspects have many areas of similarity with District Council services and by adopting a shared approach to delivering these elements of the services, duplication of inspections could be reduced and a more responsive service provided to the public.
- 3.3 An alternative model was proposed which extended the partnership approach linking together similar activities to be delivered via a single point of contact for the public.

4. THE COUNTY COUNCIL'S RESPONSE

- 4.1 The Joint Member meeting took place on 1 March at Appletree Court. The District Council was represented by the Leader of the Council, Councillor Simon Hayes, and the Environment Portfolio Holder, Councillor Melville Kendal. The Economy & Planning Portfolio Holder, Councillor Tom Russell, was not able to be present.
- 4.2 The County Council were represented by the Executive Member - Environment, Councillor K B Estlin, and Councillor John Waddington.
- 4.3 Officers from both authorities were in attendance.
- 4.4 The meeting was chaired by Councillor Hayes and both parties outlined their proposals. The County Council, whilst accepting the merit of the District's approach, felt that a two tier delivery mechanism did not best serve the County Council's future strategy for partnership working with their contractor. On this basis, they were not prepared to accept any significant variations to their Blueprint.
- 4.5 The County have formally tabled their offer to the District to undertake the management of traffic regulation across the whole of the area. This offer is being evaluated.

5. THE WAY AHEAD

- 5.1 The County Council are now actively engaged with the implementation of their proposals throughout the county. Five District Councils wished to see the changes in place on 1 May 2002. The remaining Districts will see the changes implemented on a phased basis from then until April 2003.
- 5.2 Full details are contained within paragraph 11.1 of the appended report.
- 5.3 Staff currently employed by the District upon highway network management functions will ultimately transfer under TUPE to the County under their existing terms and conditions. It is important that staff are fully informed of the process and their concerns addressed so that anxiety is kept to a minimum.

5.4 It is the County's intention that existing staff working within the Town Hall will remain in place under their management as far as this is achievable. Agreements will need to be negotiated regarding issues like payment for accommodation and the provision of some support services. Discussions will take place in the next few weeks to resolve these matters.

6. FINANCIAL IMPLICATIONS

6.1 The financial implications have been evaluated and are set out in the following paragraph. To date a formal offer to undertake management of traffic regulation for the whole of the District has not been analysed and a decision made therefore the analysis has ignored this aspect.

6.2	The costs that remain with NFDC (Support Services, Direct Costs & Corporate Costs)	£ 76,930
	Net Budget for remaining Highways Services	* <u>-(31,940)</u>
	Net Cost	44,990
	Current Budget	<u>27,530</u>
	Therefore Total Additional Cost to NFDC due to the change	<u>17,460</u>

6.3 The above figures do not take account of the following:

- i. Income from rental of accommodation to HCC.
- ii. Selling or reallocating IT equipment.
- iii. Costs associated with the redemption, if any, of the highways van.

and have been based upon the following assumptions having been made:

- i. All the figures are based upon the estimated future Highways budget, this figure contains further assumptions.
 - ii. The Highways Development Control charges, income and funding remain the same.
- * However should HCC only fund the balance of net expenditure actually incurred, then the net additional cost to the Council will be £49,400.

7. ENVIRONMENTAL IMPLICATIONS

7.1 There are no environmental implications arising from this report.

8. CRIME & DISORDER IMPLICATIONS

8.1 There are no crime and disorder implications arising from this report.

9. CONCLUSION

- 9.1 The model proposed by the District Council which developed and extended the partnership approach to service delivery has not been accepted by the County Council.
- 9.2 The County Council intend to implement their proposals contained within the Blueprint and have offered the District Council the opportunity of delivering routine traffic regulation services on their behalf across the whole of the District.
- 9.3 District Council staff currently delivering the network management service via the Highways Agency will transfer to the County Council under TUPE but will, hopefully, still be located at the Town Hall.

10. ECONOMY & PLANNING REVIEW PANEL COMMENTS

- 10.1 At the meeting of the Economy and Planning Review Panel on 20 March the Panel recommended that Cabinet send a letter to the County Council conveying the strong concerns of the District Council about the proposed highways arrangements on the basis of the cost of implementation, the dubious efficiency benefits and the blurring of the current lines of communication.

11. EMPLOYEE SIDE COMMENTS

- 11.1 The Employee Side have commented previously on the Highways Agency Review, during this long-running process. We reiterate that it seems unfortunate to us that whilst the review was nominally undertaken as a Best Value exercise the 'Blueprint' outcomes were specified ahead of the review process.
- 11.2 It is clear that Senior Officers and Members have worked hard to achieve the best result possible. The Employee Side have previously supported the proposal mentioned in section 3.3, the merits of which we are disappointed to note now seem to have been disregarded.
- 11.3 Fortunately, it is likely that no employees will be made redundant, as the County will need all of the affected District's employees (and further staff) to deliver the reorganised service. However, employees have faced a long period of uncertainty and some may yet be disadvantaged, despite protections under TUPE transfer arrangements.
- 11.4 We are happy to comment that there has been a continuing and thorough consultation within this Council with both the Employee Side representatives and those employees likely to be affected.

12. PORTFOLIO HOLDER COMMENTS

- 12.1 The Portfolio Holder supports the proposals contained in this report but has serious concerns about the cost implications for Council Tax Payers and the consequential loss of close contact between Local Members and the service providers.

13. **RECOMMENDATION**

It is recommended that:

- 13.1 The County Council's decision to implement their proposals be noted.
- 13.2 The cost of the changes be noted and a bid be made in the expenditure plan process later this year.
- 13.3 A letter be sent to the County Council expressing the views of the Economy & Planning Review Panel as set out in paragraph 10.1.

Further Information

John Rainbow
Head of Consultancy Services
Tel: 023 8028 5901
E-mail: john.rainbow@nfdc.gov.uk

Background Papers

Previous reports

JR/NAS (DOCUMENT/REPORTS/N_P_S/AGENCY2)
28.05.02

Hampshire County Council	
Executive Member - Environment	Item 1
15 January 2002	
Highways Network Agency Review - Progress	
Report of the County Surveyor	

Contact: Alan Giles, ext 7712

1. **Summary**
 - 1.1 The following decision is sought:

That the progress and the way forward on the Highways Network Management structures, consultation procedures and timetable be approved.
2. **Reason**
 - 2.1 In order to proceed with the setting up of the new Highways Network Management structure.
3. **Other Options Considered and Rejected**
 - 3.1 None.
4. **Conflicts of Interest Declared by the Decision Maker or a Member of Officer Consulted – Not applicable.**
5. **Dispensation granted by the Standards Committee – Not applicable.**
6. **Reason(s) for the Matter being dealt with if Urgent – Not applicable.**

Approved by:

Date:

Councillor K B Estlin

7. **Introduction**

7.1 On 17 July 2001 the former Policy and Resources Committee resolved to give authority to progress the detailed planning and discussions with the district agents in broad accordance with the Blueprint proposals.

7.2 This report addresses those aspects of the Blueprint concerning client based activity relating to the delivery of Highway Maintenance and Traffic Management. It does not deal with works contracts, such as the proposal for a county-wide Term Maintenance contract. This issue is progressing and is an item elsewhere on the agenda.

8. **Progress**

8.1 Senior resources have been seconded from the County Surveyor's Department and the district councils to support the planning and implementation of the Blueprint.

8.2 Additionally a Blueprint Working Group has been set up with representatives from Hampshire County Council and district councils (Basingstoke and Deane, Rushmoor, Eastleigh and Fareham). The group has been looking at some of the finer details of the issues arising and making recommendations to the County Surveyor. Issues considered so far include:

- (i) the configuration of four groups of districts which will form the new Highway Units;
- (ii) the best level at which various functions can be carried out (eg county-wide, unit-wide or district based); and
- (iii) formulation of job descriptions.

8.3 Since the former Policy and Resource Committee meeting in July meetings have been held with senior representatives of the district councils concerned to clarify the County Council's intentions and to discuss further with them any issues of details they wish to discuss on implementation. Meetings have also been held with each of the District Engineers to brief them on the progress. Human Resources Section, IT Client and Estates Practice are now involved in the work. Meetings will be set up in January with the district representatives, unions and staff. Meetings with district members and Councillor Estlin are also programmed.

9. **Proposals**

Highway Maintenance

9.1 It is proposed that the county is divided into four Highway Units, each consisting of a number of sub-units based on district council areas. These are set out below:

<u>Highway Unit Area</u>	<u>Sub-units</u>
North	Rushmoor, Hart, Basingstoke and Deane
East	East Hampshire, Winchester, Eastleigh
West	Test Valley, New Forest
South	Havant, Fareham, Gosport.

These groupings are estimated to represent a reasonably equal balance in work load.

- 9.2 The emerging staffing proposals to operate this new arrangement, including the Headquarters-based activities, are founded on the premise that future staff numbers should be broadly similar to those presently engaged in both the County and the districts in delivering the service. It is envisaged that each Highway Unit would be headed by a Chief Engineer with a sub-unit based on each district area. A number of the more strategic functions will be carried out on a highway-unit basis, such as:
- (i) special maintenance design:
 - (ii) planning, highway and other inspections; and
 - (iii) administration, coordination and planning winter maintenance.
- 9.3 The majority of network management services will be locally-based, including:
- (i) local safety inspections and New Roads and Street Works Act inspections;
 - (ii) the identification of local maintenance needs, raising minor works orders and supervision;
 - (iii) local regulatory matters, eg hedge cutting notices, local licences and vehicular crossings; and
 - (iv) issues raised by the public locally and elected Members of parish councils, district councils and the County Council.
- 9.4 The local management at sub-unit level will be an Assistant Chief Engineer with a team of Highway Supervisors and one or two technical and administrative support staff. The Assistant Chief Engineer will have local responsibility for all the works carried out within the district and for all local member liaison.

- 9.5 It is proposed that all the Highway Units should operate under a common banner of 'Hampshire Highways' including the traffic management function, but may also include a local affinity, eg 'Hampshire Highways Fareham'.

Traffic Management

- 9.6 Proposals are for the existing Traffic Management agency arrangements that exist in the full agency district to be offered to all districts. Present indications are that all districts will take up this offer (possibly subject to sufficient funding being made available). Proposed staff numbers for Traffic Management agencies in the districts are presently being calculated.

Member Involvement

- 9.7 Proposals are for a Joint Members' Panel per district, meeting twice per year and comprising all of the local County Council members and an equal number of district members.
- 9.8 The Panels will be chaired by the local representative of the Executive Member for Environment. Hence each local representative will chair two or three Panels.
- 9.9 The Panels will serve to inform and influence the local highway activities but will not be decision making bodies.

Costs

- 9.10 It has been estimated that the cost of providing the service will in the short term increase as a consequence of implementing the Blueprint. This is because the district councils employ more staff than the County Council funds and remunerates them at a higher level than the County Council, together with a higher proportion of administrative support. In addition there may be costs arising from the need to provide accommodation, additional IT equipment and so on and these cannot at present be finalised.
- 9.11 This exercise of course provides essential building blocks for future efficiency savings to be achieved in line with the original proposals in the Blueprint. The estimated cost in 2002/03 is in the order of £600,000 which should fall in subsequent years as the benefits of the new structure are realised.

10. Staff Issues

- 10.1 Meetings will be set up with County Council staff and unions to discuss the impact of the changes. This is likely to be greatest on Area Surveyors' staff and less on Headquarters' staff. It is important that staff understand the reasons behind the proposed changes and the importance of their roles in continuing to deliver the service.

- 10.2 Joint Working Groups of Hampshire County Council and District Personnel and Engineers staff and union representatives will be set up for each district to coordinate the personnel and staff transfer issues. It is anticipated that meetings with staff will start during February 2002.
- 10.3 Meetings between Estates Practice and the property service sections of the district councils will be set up in January 2002 in order to start negotiations for leasing premises.
- 10.4 IT Services staff will make contact with their opposite numbers in the districts to discuss the IT implications of the new arrangements.
11. **Implementation Programme**
- 11.1 The proposed implementation programme is:
- (i) Fareham, Gosport, Havant (Highway Unit South) – 1 May 2002;
 - (ii) Winchester and Test Valley – 1 May 2002;
 - (iii) Hart and East Hampshire – summer 2002;
 - (iv) Eastleigh and Basingstoke and Deane – autumn/winter 2002;
and
 - (v) Rushmoor and New Forest – April 2003.

Section 100 D - Local Government Act 1972 - background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE	LOCATION
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None

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