

HIGHWAYS AGENCY: HIGHWAYS DEVELOPMENT CONTROL**1. INTRODUCTION**

- # 1.1 Hampshire County Council (HCC) has reviewed the current arrangements and decided to implement a number of service changes. The report, attached as Appendix 1, prepared by HCC sets out the results of the service review and the proposed changes.
- 1.2 The purposes of this report are to:
- 1.2.1 consider the offer that has been made by the County Council for New Forest District Council (NFDC) to carry out the highways development control (HCC) function
 - 1.2.2 advise Members on the overall financial implications of the changes to the service against the background of reducing fee income due to fewer estate roads being built

2. THE SERVICE

- 2.1 The basis of the County's offer is that the new service, subject to Member approval, be provided by NFDC.
- 2.2 The changes to the service is summarised below (please also see Appendix 1). The work being offered to this Council by HCC (the offer) is marked * and shown in italics.

“Highway” comments on planning applications*- *NFDC will be able to deal with more of the larger sites currently dealt with by HCC. Current threshold equivalent to 50 dwellings and this will be increased to 100 dwellings.*

Agreements to secure contribution from developers for transport related improvements* – *The new arrangements will enable NFDC to negotiate Section 106 agreements for contributions up to £50,000. The current agreement requires HCC to negotiate these.*

Road Adoptions– Currently NFDC undertake almost all elements of this work. Under the new arrangements *NFDC will deal with the estate layout and other related matters up to the stage that planning permission is issued**. HCC will then deal with construction details, the negotiation of the S38 agreement (NFDC's legal division will continue to prepare the agreements) and arrange the roads being adopted. HCC take on the operation of the “Advance Payments Code” procedures, which is a statutory way of encouraging the adoption of roads on new estates where that is appropriate.

Highways Land Charge Searches - Currently NFDC undertake these inside the former “Island” Highways Agency (New Milton/Lymington) Area and HCC deal with the rest. Under the new arrangements HCC will deal with all such Searches

The loss of highway searches work prompted the review of **road closures made under the Town Police Clauses Act**. Currently the Legal Division does this work whilst the Transportation Section arranges closures made under the Road Traffic Regulation Act. Given the operational benefits of all types of road closures being dealt with within the same team, if the Council retained the Agency all closures could be dealt with by the Transportation Team.

2.3 All related services would be delivered in a uniform way across the whole district.

3. RESOURCES

3.1 HCC has offered to increase the current level of reimbursement from £144,557 to £155,000 as part of the new arrangements. This corresponds to an increase in full time equivalents (FTEs) to deliver the highways development control service from 3.3 to 3.5 FTEs.

3.2 The transfer of S38 work means that the Inspector of Works role will move to HCC. Other NFDC employees undertake work associated with S38s but no one else spends more than 50% of their time on S38 work so are not covered by the TUPE provisions (applies to individuals who spend more than 50% of their time on the transferring undertaking).

3.3 The main staff resources required to deliver the revised service will be as follows (all filled existing posts):

Development Control Engineer
2 Engineering Technicians
1 Admin Assistant

The Principal Engineer (Transportation) and others also provide managerial, professional and administrative support for this service.

3.4 Given HCC have already decided that S38 work will transfer from NFDC to them discussions are taking place with HCC regarding the transfer of another post under the TUPE provisions. If this Council does not accept HCC's offer, the above posts will also be covered by TUPE and it is anticipated that they will all transfer to HCC.

4. BENEFITS TO NFDC

4.1 By accepting HCC's offer Members and the public will be provided with an in-house resource to give a highways development control service by officers who work exclusively in the area. This work compliments other work done in other parts of the Council and HCC.

11.1 The ability to seek developers' contributions for identified transport related improvements is a new function. It will allow more transport related schemes to progress than would have otherwise have been the case.

4.3 The widening of the Council's remit to include many of the larger sites (threshold effectively doubled) will enable greater involvement in pre-application discussions and application of local knowledge.

4.4 Having all temporary road closures dealt with by one section will give

operational benefits. It will assist the planning and co-ordination of all types of temporary road closures and the selection of diversion routes.

- 4.5 Concern has been expressed over the level of support that would be provided by HCC to the Planning and Development Control Committee. Although this is unlikely to be at the same level currently provided by the 'in house' team it is not believed that this will necessarily materially impact on the levels of professional support that is given to the Committee.

5. DISBENEFITS TO NFDC

- 5.1 The highways development control function would be delivered as an agent to the County and in accordance with Government guidance there will be constraints or a lack of freedom regarding actions and decisions to be made.

- 5.2 The following disbenefits relate to the decision already made by HCC to deal with most S38 work and **do not** relate to acceptance of HCC's offer:

- The setting up of a new HCC group to deal with S38 agreements may mean that layouts agreed at the planning application stage are more likely to have to be changed. This could, for example, be as a result of technical considerations not being looked into in detail at such an early stage as happens at present.
- Loss of S38 fee income.

- 11.1 As a result of the decision on S38 agreements, different organisations dealing with the two elements of the process will create bureaucracy and delay as additional remote communication is added to the process.

6. FINANCIAL IMPLICATIONS

- 6.1 HCC has offered £155,000 for NFDC to undertake the functions to be covered by the new arrangements (set out in Appendix 1 and summarised in Section 3 above). The net cost of delivering the functions (based on existing salaries) is estimated to be £163,000, resulting in an overall service deficit of £8,000. However, if the Council does not accept HCC's offer, support service and corporate costs of £32,000 would remain and would need to be allocated to other services or managed down. Therefore it is financially beneficial by £24,000 to accept the offer.

- 6.2 In previous years this service operated at a surplus due to fee income from S38 agreements and this offset the cost of other highways agency functions. As larger housing allocations are "built out" then fee income has reduced (from £94,000 in 2001/02 to a currently estimated £56,000 in 2003/4). This trend is expected to continue in this District irrespective of who delivers the service. The figures set out below take account of these factors.

- 6.3 If the Council accepts the offer then the overall financial implications of all the service changes is an increase in net expenditure of £38,000. This is made up as follows:

£000s

Increased net cost of operating the Service	30
Retained support service and corporate Costs on services returned to HCC	12
Additional income on management fee	-4
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	38
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- 6.4 If the Council were not to accept the offer then the overall financial implications of all the service changes is an increase in net expenditure of £62,000. This is made up as follows:

£000s

Loss of current service surpluses	23
Retained support service and corporate costs	43
Additional income on management fee	-4
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	62
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Although the figures above indicate that acceptance of the offer by the County is in the Council's financial interest, officers do not believe this is a significant factor. Financially the offer is advantageous but steps would have to be taken to reduce these overheads to a manageable level.

- 6.5 It should be noted that the £23,000 surplus originally budgeted for this year (2003/04) has changed to a £10,000 deficit, principally due to reduced S38 fee income. Had the current arrangements continued into 2004/05 then this deficit would more than likely have increased.
- 6.6 This Council normally receives fee income in advance of undertaking the work associated with S38s. The proportion of this that corresponds to the work not completed on 31 March 2004 will need to be transferred to HCC as they will be completing this work. This only applies to S38 agreements where the roads are not expected to be adopted by 31 March 2004, and will be adjusted to take account of work done but anticipated fee income not received by this date.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 There are no environmental implications associated with this report.

8. CRIME AND DISORDER IMPLICATIONS

8.1 There are no crime and disorder implications associated with this report.

9. EMPLOYEE SIDE COMMENTS

9.1 To be reported at the meeting.

10. PORTFOLIO HOLDER COMMENTS

10.1 To be reported at the meeting.

11. CORPORATE MANAGEMENT TEAM COMMENTS

11.1 Having fully discussed this report, Corporate Management Team believes the issue is finely balanced. Although the Council will, in the short term, have to manage any residual costs associated with not accepting the offer, this issue should not be the determining factor.

11.2 CMT believe that having considered all of the issues, they feel that their advice to Cabinet is not to accept the County offer and to ensure that every effort is made to manage down these costs.

12. CONCLUSION

12.1 Although it would now be financially beneficial to accept HCC's offer this should not be the determining factor.

12.2 The decision already taken by HCC whereby they undertake the bulk of the work associated with S38 agreements was the subject of lengthy inter authority discussions. Concerns were raised and representations were made prior to the decision made by HCC. No further action is now proposed.

12.3 If the Council does not accept the County Council offer, residual costs will need to be managed down by the Council.

13. RECOMMENDATIONS

It is recommended that:

13.1 The offer made by HCC be rejected;

13.2 A bid of £50,000 be included in expenditure plans for 2004/05 on the assumption that residual costs will be reduced to this level by 31 March 2004 and that every effort will be made to reduce the remaining residual costs.

13.3 The Director of Resources be authorised to negotiate with HCC regarding the transfer of Section 38 fee income to HCC in respect of developments where the roads are not adopted by 31 March 2004.

Further Information:

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Corporate Management Team

Background Papers:

County Director of Environment's letter dated

County Director of Environment's report to
the New Forest Highway Management
Advisory Panel held on 30 September 2003

<p>Hampshire County Council</p> <p>New Forest Highway Management Advisory Panel</p> <p>30 September 2003</p> <p>Development Control Service Review and Update on District Agency Arrangements</p> <p>Report of the Director of Environment</p>	<p>Item 5</p>
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1. DEVELOPMENT CONTROL SERVICE REVIEW

- 1.1 On 7 May 2003 a report on the Highways Development Control Service Review was presented to the Environment Policy Review Committee, following formal consultation with District Council officers and Members. The Members of the Policy Review Committee decided to set up a scrutiny task group to probe the issues in more detail before giving their advice to the Executive Member for Environment.
- 1.2 Following a number of meetings of the task group, the Environment Policy Review Committee met on 21 July 2003 and resolved that the Executive Member for Environment and the Cabinet be advised that discussions be undertaken with the Hampshire Districts to implement the following agreed service changes.
- (i) **Strategic Planning Applications** - amendments to Procedure Note 12 with a new protocol to enable the threshold levels above which the County Council is consulted to be increased.
 - (ii) **Minor Planning Applications** - amendments to Procedure Note 12 with a new protocol to enable the threshold levels above which the County Council is consulted to be increased, thereby giving the District Councils greater control over larger applications.
 - (iii) **Section 106/278 Agreements** - enable District Councils to take financial contributions of up to £50,000 under a Section 106 Agreement and amend the threshold above which Executive Member authority is sought to £250,000.
 - (iv) **Section 38 Agreements and Advance Payments Code** - amend the model Section 38 Agreement. Undertake all Section 38 design checking and inspection through the Hampshire Highways Offices.
 - (v) **Design Checks** - as a general guide, schemes over £100,000 to be checked by the Engineering Consultancy as at present. Schemes under £100,000 to be checked by Hampshire Highways Offices.

- (vi) **Land Charge Searches** - the highway element of all land charge searches for the former Island Agency areas to be completed centrally by the County Council, with a move towards modernising the system in line with e-government initiatives.
- 1.3 This was formally confirmed by Councillor Estlin on 23 July 2003. Subsequently, meetings have been ongoing with the individual Districts to discuss the implications of the review and TUPE arrangements.
- 1.4 The timescale proposed for the changes to occur is a transitional period between 1 October 2003 and 31 March 2004.

2. OTHER AGENCY ARRANGEMENTS

- 2.1 In addition to the proposed new agency arrangements to reflect the outcome of the Development Control Review, discussions were already in progress with District Councils on new draft Agreements for Traffic Management. It was also recognised that separate agreements would need to be considered for the continuation of grass cutting and tree maintenance functions and also for the delivery of some capital programme schemes.
- 2.2 The Executive Member for Environment had previously extended the remaining existing agency arrangements until 30 September 2003, but whilst a new Traffic Management Agency Agreement has been concluded with New Forest District Council (see item 6), other District Councils postponed a decision on whether to take up the offer of Traffic Management Agency until the outcome of the Development Control Review was known. In the event, this took longer than had been anticipated and there was insufficient time to conclude new agreements for Traffic Management or other functions before 30 September.
- 2.3 The remaining existing agency arrangements have therefore been extended again for a further six-month period to allow time for further agreements to be negotiated or the necessary alternative arrangements put into place, including staff transfers, as appropriate.

RECOMMENDATION

That this report be noted.

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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