

**TRAFFIC MANAGEMENT AGENCY - REPORT ON FUTURE
ARRANGEMENTS WITH HAMPSHIRE COUNTY COUNCIL.**

1.0 BACKGROUND

- 1.1 A large proportion of the work undertaken by the Transportation team at New Forest District Council is under an agency agreement with Hampshire County Council. The last major review of this arrangement was undertaken in 2009 when a new agreement was signed by the two parties. Hampshire County Council funds the majority of the work which is carried out under this agreement.
- 1.2 Following a Hampshire County Council decision in May 2016 they advised this Council that they wished to see major changes in the way the agency operates from 1st April 2017. This included a significant reduction in the range of functions which could be carried out under the arrangements and a major reduction in the funding that they were making available to do the work.
- 1.3 Following initial meetings to discuss the new scheme the County Council has made various changes to their original plans and in September 2016 issued a new proposal. They have asked this Council to tell them if we wish to continue with the agency from 1st April 2017, on the basis of the revised proposal, by the end of 2016.
- 1.4 An interim report was considered by the Environment Overview and Scrutiny Panel on 10 November 2016 and this report requests a final decision on the future of the agency arrangements.

**2.0 MAJOR CHANGES BETWEEN THE EXISTING AGREEMENT AND THE NEW
PROPOSAL**

- 2.1 Under the existing arrangement the County Council is paying this Council £99,184 to carry out the agency work in 2016/17. They have indicated that this will reduce to £59,511 in 2017/18 and £39,674 in 2018/19. They say that they expect this money to be spent on their priority, which is casualty reduction, and not on other schemes which, in the past, were promoted by District Councils under the agency agreements.
- 2.2 The major change between the original proposals (May) and now is that the County Council has said that the Districts can pursue some other types of schemes that are not focussed on casualty reduction provided that they are funded locally. In other words, if a District or Parish/Town Council wants a particular scheme to go ahead this is now possible provided that they pay for it. Some schemes would still need County Council approval, but they are prepared to be more flexible than was originally proposed.
- 2.3 Another significant change is that they will leave temporary road closures, mainly for utility companies, in the agency arrangements and will allow fees for these to be raised up to an overall ceiling. This will not apply to closures for County Council works which, in future, they will process in-house.

- 2.4 These two changes are significant because they allow some local discretion for local councils and district members to promote things that they think are needed in their area. The temporary road closures will allow some financial mitigation of the significant drop in agency payments. These factors are considered further below.

3.0 STAFFING AND FINANCIAL IMPLICATIONS

- 3.1 Four staff in this Council's transportation team are largely funded by the current agency payment. Hampshire County Council has said that they do not expect any of these staff to be transferred to them if we give up the agency agreement. This is an arguable point but would certainly leave this Council responsible for significant redundancy costs if we give up the agency. No business case can be made to justify these redundancy costs because no compensating savings can be made.
- 3.2 The cost to this Council of the agency agreement in 2016/17 is £106,900. So we currently subsidise the service by £7,716 (£106,900 - £99184). With no change to this level of expenditure, with the reduced grant of £59,511 in 2017/18 this subsidy would increase to £47,389. This position would worsen in 2018/19 when the County Council's payment is further reduced to £39,674.
- 3.3 There are ways of reducing this deficit or level of subsidy which are set out in the following section. Section 5 then looks at the arguments for retaining District/ Parish Council influence over traffic management arrangements.

4.0 ALTERNATIVE FINANCIAL ARRANGEMENTS

- 4.1 If the revised agency agreement were to be retained there are various measures which can be taken to reduce the costs of the team.
- 4.2 The main opportunity would come from increasing the charges we make to deal with temporary road closures. At the moment we charge £368 plus the cost of advertisement to deal with temporary traffic regulation orders, which are principally for utility companies. Other Districts charge considerably more, with one adjoining District Council charging £753 plus the cost of advertisement for the same service. In the last full year we dealt with 37 of these orders, although they have ranged from 26 to 42 in the last 5 years. Taking last year's figures as a base, if we increased our charge to £753 +advertisement cost we could increase our income by approximately £14,000 per annum ($£753-368=385$) x 37).
- 4.3 One member of the team has asked that they can reduce their hours and this has been agreed. This will save the team £6,790 per annum.
- 4.4 We currently hold a considerable amount of money collected from developers under Section 106 agreements to mitigate the adverse impacts of their proposals on the highway network. In the past, design work to bring forward the mitigation proposals has been funded within the agency agreement. If this design work was charged to the contributions themselves this could amount to £9,500 per annum.
- 4.5 Finally, in terms of financial mitigation, there is also a District Council budget of £31,350 for minor works which was used to promote small schemes and often came forward as a result of local member/parish council requests at the old liaison meetings. Some of this money could be redirected to cover the costs of consultation on local issues and the implementation of agreed priority minor works.

5.0 CONSIDERATION

- 5.1 There are ways of offsetting the financial implications of the reduced traffic management agency payment from Hampshire County Council and avoiding the substantial redundancy costs involved in giving it up. The question is whether this is a function the District Council wishes to go on providing because of the advantages of allowing local issues to be more fully recognised and actioned locally as opposed to these matters only being considered on a County-wide basis.
- 5.2 It is understood that District Councillors and Parish Councils very much welcomed the old local traffic management liaison meetings which were held prior to this year. They provided a forum to discuss local traffic issues and, when appropriate, to get local schemes included in the traffic management programme. Hampshire County Council has made it clear that they will not fund these meetings in the future and they will only spend their own money on schemes related to the priority of casualty reduction. They are however now prepared to allow local issues to be dealt with as part of a revised agency agreement provided that they do not conflict with county policy and are funded locally.
- 5.3 The District Council has some money it could redirect towards local liaison and some minor schemes if it retains an agency function. This will not be on the scale of the old arrangements and a new scheme will have to be drawn up for local liaison and agreeing priorities in the future. The risk is that, as the function will have to be scaled back, the District Council will be criticised for not being able to do some of the things it could in the past, whereas this is a result of county financial savings.
- 5.4 On balance it is considered that for both financial reasons, avoiding a large redundancy cost, but more importantly to retain some local knowledge and input into traffic management decisions, that we should retain the revised agency agreement as now offered by the County Council. There is a risk that we will be criticized because we can do less than before but this is outweighed by the benefit of more local control and decision making. The situation will need to be reviewed in 2017 when the new system is operating to see if the predicted benefits are obtained before the further funding limitation occurs in 2018.

6.0 CRIME AND DISORDER IMPLICATIONS.

- 6.1 There are no crime and disorder or equality implications arising directly from this report.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 One positive equality benefit arising from the recommendation is that disabled car parking bays will still be able to be decided and actioned locally.

8.0 ENVIRONMENT OVERVIEW AND SCRUTINY PANEL

- 8.1 The Panel considered an interim version of this report at its meeting on 10 November 2016. While the Panel did not have the same level of financial information available it made the following comment:-

“The Panel supported the recommendation to maintain the agency arrangements in this District in a modified form”

9.0 PORTFOLIO HOLDER COMMENTS

9.1 The Portfolio Holder supports the report and the recommendations.

10.0 RECOMMENDATION

10.1 That Hampshire County Council be advised that New Forest District Council wish to renew the traffic management agency from 1 April 2017 on the basis of the information contained within County Executive Members decision dated 15 September 2016.

FOR FURTHER INFORMATION CONTACT:

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BACKGROUND PAPERS

Hampshire County Council's Executive Member decisions on Future Traffic Management Policy dated 19 May and 15 September 2016.