

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 05 December 2016

<b>Portfolio:</b>	Public Protection
<b>Subject:</b>	Traffic Management Agency Agreement
<b>Report of:</b>	Director of Operations
<b>Strategy/Policy:</b>	Parking Enforcement Policy
<b>Corporate Objective:</b>	A safe and healthy place to live and work

**Purpose:**

To seek approval to terminate the partnership agreement with Hampshire County Council for the management and implementation of traffic regulation orders (TROs) within the Borough.

**Executive summary:**

Since March 2009, Fareham Borough Council has undertaken traffic management responsibilities on behalf of Hampshire County Council through a formal agency agreement under the Traffic Management Act.

These responsibilities involve the implementation of traffic regulation orders (TROs), which aim to improve road safety, minimise congestion and promote the efficient use of the highway network within Fareham.

Approximately twelve TROs are implemented each year and the costs are mainly funded by Hampshire County Council. Fareham Borough Council currently receives £88,700 a year from the County Council, towards employment costs, line marking, legal fees and advertising costs. Taking into account all other costs associated with delivering this service, (not including internal recharges), the Borough Council currently subsidises the cost of delivering this County Council service by an additional £6,000 per annum. A breakdown of the figures can be found at Appendix A.

As part of a wide ranging efficiency plan, Hampshire County Council has proposed significant changes to the amount of funding it will provide to Fareham Borough Council to deliver this County Council service in the future. This will reduce the County Council funding element by up to 60%, which could result in Fareham Borough Council's subsidy increasing to approximately £59,200 per annum by 2018/19.

Given the scale of the potential reduction in County Council funding and the

implications on Fareham Borough Council's budget, it is proposed to terminate the agency agreement with Hampshire County Council.

**Recommendations:**

That the Executive: -

- (a) approves the termination of the current traffic management agreement with Hampshire County Council; and
- (b) approves to continues funding the provision of deploying speed limit reminder signs with a budget of £8,000 per annum.

**Reason:**

The changes being proposed by Hampshire County Council are anticipated to result in Fareham Borough Council subsidising a County Council service by approximately £59,200 per annum, by 2018/19. This additional cost would make the delivery of the service prohibitive in the current financial environment.

**Cost of proposals:**

The recommendations would result in the Council incurring additional costs of £2,000 per annum based on current budgets.

**Appendices-**

**Appendix A:** Breakdown of costs  
**Appendix B:** CONFIDENTIAL Appendix

**Background papers:** None

**Reference papers:** None

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### Executive Briefing Paper

<b>Date:</b>	05 December 2016
<b>Subject:</b>	Traffic Management Agency Agreement
<b>Briefing by:</b>	Director of Operations
<b>Portfolio:</b>	Public Protection

#### INTRODUCTION

1. A traffic management agency agreement between Fareham Borough Council and Hampshire County Council has been operating since March 2009. This enables Fareham Borough Council to undertake traffic management work on behalf of the County Council under the Traffic Management Act.
2. The purpose of traffic management is to minimise traffic congestion, improve road safety and promote efficient use of the highway network within the Borough. This is achieved through the implementation of Traffic Regulation Orders (TROs).
3. The Council's traffic management programme, which is approved each year by the Executive, implements an average of twelve TROs per annum. The process for each scheme involves consultations with the public and the emergency services. Decisions are made under delegated powers by the Executive Member for Public Protection.

#### CURRENT ARRANGEMENTS

4. Currently, the traffic management work is undertaken by two full-time employees. These are the Traffic and Design Manager and the Traffic Management Technician.
5. The main functions that the traffic management officers undertake are: -
  - (a) Permanent and temporary TROs
  - (b) Disabled parking bay requests
6. Outside of the agency agreement, the Technician is also responsible for deploying and maintaining the portable speed limit reminder signs to locations within the Borough.
7. The Council's total budget for Traffic Management is £134,200 for the 2016/17 financial year. The budget consists of £94,700 of direct costs and £39,500 of recharges distributed from other services. This report will only discuss the direct costs and not internal recharges, including the costs for the Legal Services Partnership, when considering the

level of subsidy provided by the Borough Council.

8. Hampshire County Council currently provides £88,770 per annum to fund the service. This funding consists of £68,970 for employee costs, £16,800 to implement the TROs and £3,000 to cover the cost of advertising the TROs. All additional service costs, currently approximately £6,000 per annum, are met by Fareham Borough Council.

## **PROPOSED CHANGES BY HAMPSHIRE COUNTY COUNCIL**

9. As part of a wide ranging efficiency plan, Hampshire County Council is proposing to reduce the annual funding of the agency agreement, with Fareham Borough Council, over the next two years. In 2017/18 there is a proposed reduction of 40% with a further cut in 2018/19 to bring the total to 60%. This would reduce the County Council funding for employees, to approximately £41,400 in 2017/18 and £27,600 in 2018/19. The exact reduction in other funding, for implementing TROs and advertising has not been provided, but this report assumes they will be comparable to the other reductions.
10. In order to continue the agency agreement in its current form, it is estimated that Fareham Borough Council would be required to subsidise a County Council service by £59,200 per annum from 2018/19. In the current financial climate, the increased budgetary costs are not considered to be a viable option.
11. The other option would be to run the service with one officer, making the other post redundant. However, the level of service would be severely restricted and would inevitably result in customer frustration at the lack of resources available. In simple terms, if the County Council is not prepared to provide an appropriate level of funding to deliver this important County Council service then the agreement should be terminated. The challenge would then rest with the County Council to provide the service on minimal resources.
12. Given the financial constraints faced by Fareham Borough Council it is recommended that Hampshire County Council be given formal notice of termination of the agreement in accordance with the terms agreed in 2009. This would result in all of the traffic management functions, covered by the agreement, reverting back to Hampshire County Council.
13. The deployment of temporary speed limit reminder signs would, however, remain with Fareham Borough Council, because this work sits outside the agreement with Hampshire County Council. Given the high level of demand for the temporary signs amongst the local community (they are currently deployed over 100 times per annum) it is proposed that this service continues.
14. An annual budget of £8,000 would be required to continue delivering the service, based upon the estimated costs for deployment, maintenance and installation of the signs. The signs are currently installed by Council employees, but this budget makes allowances for other cover due to the uncertainty about how the service would operate in the future.

## **FINANCIAL IMPLICATIONS**

15. The proposed recommendation would result in an annual cost of £8,000 to Fareham Borough Council due to the continued deployment of the speed limit reminder signs, of which £6,000 is currently allocated to traffic management. More importantly the Council would avoid an anticipated future revenue budget pressure of approximately £59,200 per

annum due to the County Council's proposals.

## **CONCLUSION**

16. The intention of Hampshire County Council to reduce funding for the Traffic Management service over the next two years has the potential to significantly increase Fareham Borough Council's annual subsidy. There is a proposed 40% reduction in funding for employees in 2017-18, which will increase to 60% in 2018/19. The exact reduction in funding for implementing TROs and advertising has not been provided, but it is assumed this will be comparable to the other reductions. Overall it is anticipated the Fareham Borough Council would need to subsidise the service by £59,200 per annum by 2018/19. In the current financial climate, this position is not considered sustainable and it is recommended that the agreement is terminated. This would result in the responsibility for County Council traffic management functions being returned to Hampshire County Council.
17. It is proposed that the deployment of speed limit reminder signs continues to be delivered by Fareham Borough Council, at an estimated cost of £8,000 per annum. This would result in the Council incurring an additional £2,000 costs per annum based on current budgets.

### **Enquiries:**

For further information on this report please contact Paul Doran (Ext 4572).

## Appendix A - Breakdown of costs

The tables below provide a summary breakdown of the current and anticipated costs of delivering the traffic management function, based on Hampshire County Council's proposal to reduce the funding it provides by 60%.

For convenience the cost of internal recharges and Southampton Legal Services have not been included, because these costs will still be incurred by the Council and would have to be distributed to other budgets.

<b>Budget Cost 2016/17</b>	
Employees	£76,000
Transport	£2,200
Supplies and Services	£16,500
<b>GROSS EXPENDITURE</b>	<b>£94,700</b>
<b>HCC Funding</b>	<b>-£88,700</b>
<b>NET EXPENDITURE</b> (Cost to Fareham Borough Council)	<b>£6,000</b>

<b>Predicted Budget Cost 2017/18</b>	
Employees	£76,100
Transport	£2,200
Supplies and Services	£16,500
<b>GROSS EXPENDITURE</b>	<b>£94,700</b>
<b>HCC Funding</b>	<b>-£35,500</b>
<b>NET EXPENDITURE</b> (Cost to Fareham Borough Council)	<b>£59,200</b>
<b>Additional cost to Fareham Borough Council</b>	<b>£53,200</b>