

Norwich City Council
SCRUTINY COMMITTEE

Item No 8

REPORT for meeting to be held on 21 March 2019

Norwich Highways Agency Agreement

Summary:

Norfolk County Council has decided not to renew its highways agency agreement with the council and it will therefore cease from 1 April 2020.

The decision comes at a key point in developing the Transforming Cities project which the council has been working hard with Norfolk County Council to achieve. Cabinet recently considered the implications of the decision on this and the delivery of highway services more generally. Cabinet concluded that either the agreement should be renewed or alternative arrangements are developed that continue to deliver the best transport outcomes for Norwich and Norfolk.

Conclusions:

Scrutiny committee is asked to consider the recent decision and help inform the development of alternative arrangements to the highways agency agreement that most effectively deliver the Transforming Cities project and the best transport outcomes for Norwich and Norfolk.

Recommendation:

1. To endorse the following recommended amendments to improve the proposed Transforming Cities governance:
 - a) Member group meetings are held in public;
 - b) The proposed member group is constituted to make decisions rather than to make recommendations to an existing Norfolk County Council decision making body or individual;
 - c) The make-up of the member group reflects the impact that TCF has within each area; e.g. three county council members, two city council members and one each from Broadland and South Norfolk
 - d) Where there is not a consensus agreement within the member group voting on a decision that is wholly within a specific district administrative area, the final decision should be made between the Norfolk County Council members and those of the district concerned; and

2. To note that there is on-going discussion to confirm the detailed arrangements for transferring highway and traffic functions 'back' to Norfolk County Council which will seek to ensure the parking element that remains delegated can be satisfactorily delivered alongside other highly integrated areas; notably highways development control, air quality and economic development/regeneration and alongside the city council's own district council highway functions..

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Background

1. Since local government re-organisation in 1974 a series of consecutive highways agency agreements have been in place between Norfolk County Council (NfkCC) and Norwich City Council which have delegated local highway authority functions to the city council to undertake on the county council's behalf. The agreement is a delegation of function under the Local Government Act 1972 and whilst it is for this council to decide whether to deliver the functions, the decision whether to delegate them in the first place rests with Norfolk County Council as highway authority.
2. Prior to any renewal the agreement is reviewed by the two councils. The current agreement was extended by a year and is due to expire at the end of March 2020. Following a review NfkCC has decided not to renew the current agreement and decided that NfkCC "delivers all the highway and traffic functions that are currently delegated to the City Council". The decision does not, however include delegated on-street parking and camera enforcement functions. A copy of the county council's report which informed this decision is appended.
3. The council is disappointed in the decision and a report to the February 2019 cabinet describes the implications of it in more detail (see report also appended).

Key issues

4. Cabinet agreed to ask NfkCC to reconsider its decision and either:
 - a) Renew the agreement for a further period; or
 - b) Develop with the city council alternative arrangements that continue to deliver the best transport outcomes for Norwich and Norfolk.
5. It is recognised that renewal for a further period is very unlikely to be acceptable to NfkCC. However neither is a simple 'lift and shift' of functions likely to be practical or beneficial to public at least in some areas. Given the decision, the opportunity should be taken to improve service delivery; both for Norwich and the people in the rest of the county who rely on it and to realise efficiencies for both authorities. Taking steps to improve service delivery is particularly relevant at this time given that the Norwich 2040 vision has identified better transport connectivity as one of its' 5 key themes.
6. Since cabinet met there have been a number of high level discussions with NfkCC. These indicate a willingness to explore arrangements to succeed the present agency agreement.
7. Officers consider that there are two key issues arising from the decision that would benefit from specific arrangements. The first stems from Norwich having been shortlisted as one of 12 cities entitled to bid for a share of the Department for Transport's £1.2billion Transforming Cities Fund. The second is how parking, land use planning, air quality and economic development/regeneration issues, which very much link to the successful delivery of Transforming Cities, can be successfully managed, developed, planned and improved for the benefit of all who rely on Norwich.

Transforming Cities

8. The Transforming Cities expression of interest focuses on improving connectivity and reducing congestion in the urban area. The vision is to "invest in clean transport creating a

healthy environment, increasing social mobility and boosting productivity through enhanced access to employment and learning”.

9. The Norwich Transforming Cities expression of interest has a predominantly urban focus, as required of all Transforming Cities and whilst not to diminish accessibility issues in the city’s wider catchment, the pressing need that will be addressed is intra-urban accessibility where connectivity is poor and congestion at its worst. In particular Norwich has been designated as a social mobility “coldspot” and it is hard for people from deprived neighbourhoods to reach employment, education and vocational training.
10. The urban area identified in the bid as the greater Norwich region covers the whole of the city council administrative area along with the northern suburbs and the Broadland Growth triangle in Broadland district council area, and the southern suburbs and Wymondham and Hethersett within the South Norfolk district council area. In Norwich 68% of the population of the administrative area lives within 500m of a proposed clean transport corridor. In Broadland it is 14% of their area, and 17% in South Norfolk
11. NfkCC’s initial proposals for the governance of the Transforming Cities programme is to make use of their existing governance arrangements but for recommendations to be made to inform NfkCC decisions by a Transforming Cities member group. The latter would comprise of members representing NfkCC (3) and the three district councils (1 each).
12. Transport proposals often result in considerable public attention and scrutiny. To provide credibility to the decision making it is therefore concluded that the group’s considerations should be held in public. This would build upon the success that has been achieved through the Norwich Highways Agency Committee, which will no longer exist.
13. Further public confidence and greater transparency would be provided if the member group was constituted to actually make the decisions rather than just making recommendations. It is anticipated that a member group of this nature would generally reach consensus on decisions. However, the chair would sit with NfkCC so ultimately their views would hold sway if such consensus did not emerge. Either way accountability would be clear to all concerned.
14. With Transforming Cities predominantly affecting Norwich City Council residents, a further recommendation would be to ensure that the city council have more representation on the member group than Broadland and South Norfolk. This could be achieved by increasing the county membership to 4, the city membership to 2 and retaining one member each for Broadland and South Norfolk. This would more fairly reflect the interests of the public affected by the proposals who mainly reside in the city.
15. It is recognised that the three district councils all have an interest in Transforming Cities; both within their administrative and in their neighbouring administrative areas. Not least many schemes are likely to be cross-boundary in nature. However the three district councils are answerable to their residents and business and not those in other district area. It would seem undemocratic for Members of neighbouring districts to vote in a way that meant a decision is taken that the district, where the intervention is to be implemented, were not in favour of. It is therefore argued where there is not consensus that the constitution of the group ensures that the decision is voted for by the NfkCC members and those of the district concerned (rather than the other districts as well).
16. Scrutiny is invited to endorse the above amendments to the proposed Transforming Cities governance.

Integration of parking, land use planning, regeneration and air quality

17. NfkCC's decision only relates to highway and traffic functions that are the responsibility of the highway authority. These include;

- highway inspections and repairs,
- tree and grounds maintenance in the highway,
- co-ordination of road works
- providing advice on highway matters to the development management team
- responding to highway and transportation enquiries from the public

18. As mentioned already, on-street parking and camera enforcement functions will continue to be delegated to this council. This raises a number of practical issues about the precise delivery of these remaining functions and recognising, for example, that council is the off-street parking authority and as a district council it has a number of functions it has to fulfil itself in regard to the highway such as providing bus shelters and street furniture and managing street licences.

19. More generally there are the practical and contractual issues associated with having delivered services in a particular way and now having to unravel these arrangements whilst still preserving – and preferably enhancing – delivery to the public. Matters are further complicated due to the high level of integration between highway and traffic functions and other services such as street cleansing and events that have developed over many years.

20. Therefore whilst most areas may lend themselves to a simple transfer – albeit taking steps to try to preserve integration where appropriate – in a few areas a more nuanced approach may have merit. For example, if on-street parking functions are to be retained it is simpler to the public and provides financial efficiencies if enforcement, back office processes and the introduction or amendment of waiting restrictions and permit parking is kept together at this council. Furthermore it enables fixed costs to be spread across both off and on street parking to the financial benefit of both councils. Similarly it would be helpful to retain highway development control capacity to work alongside other planners and so as to ensure new development is facilitated to meet public needs and as efficiently as possible for those wishing to bring such development forward¹.

21. Development control is a component in the wider toolset to help achieve wider economic development and regeneration. Economic development is at the heart of Transforming Cities where transport interventions that are funded by it will be expressly introduced to facilitate growth and improve productivity. Having transportation expertise working alongside economic development and regeneration professionals is therefore considered optimal to achieving these growth and productivity rewards even if delivery of interventions falls more to NfkCC in future than has hitherto been the case.

22. Such coordination of activity also has merit in relation to air quality. This is a statutory responsibility that sits with this council but where the majority of interventions required to improve air quality – for residents and those who work, shop or otherwise visit Norwich – are transport related. Some of the work on interventions is in any case parking related but as with economic development/regeneration the key issue is to ensure different professionals work alongside each other on an inter-disciplinary basis to maximise impact and avoid contradictory approaches.

¹ The county already co-locate such staff into the other district councils to do just this

23. Retaining some transport planning expertise within the city council also enables the district council functions to be covered.
24. The detailed financial and other consideration of the above is now being taken forward by officers. Initial discussion acknowledges that a simple transfer may not be appropriate in all cases. Further work is now required to tease out the issues more fully and define arrangements that would work in practice. City officers have been invited to develop specific ideas in light of their experience in delivery functions for potential agreement between the parties.
25. Scrutiny committee is invited to endorse the above approach to achieve the best outcomes for Norwich and those that rely on the city in the rest of Norfolk.

Environment, Development and Transport Committee

| | |
|--|--|
| Report title: | Review of Norwich Highways Agency Agreement |
| Date of meeting: | 18 January 2019 |
| Responsible Chief Officer: | Tom McCabe – Executive Director, Community and Environmental Services |
| Strategic impact | |
| <p>Norfolk County Council (NCC) and Norwich City Council have arrangements in place for the discharge of various highway and traffic functions by the City Council on behalf of the County Council. These arrangements are covered by the Highways Agency Agreement. This report outlines a review of the performance of the Highways Agency Agreement and details how this should evolve in future.</p> | |

Executive summary

There are two major elements to the delivery of highways related activities in the City - the Highways Agency Agreement and the delivery of the Transport for Norwich (TfN) programme of transport schemes. The Agency Agreement covers the day-to-day delivery of highway functions and services, whereas the TfN programme is the wider delivery of strategic transport schemes outlined in the NATS Implementation Plan (now called TfN), which was adopted by the County Council in April 2010.

The current Highways Agency Agreement is dated 19 September 2014, and was due to expire on 31 March 2019. This time last year, the agreement was extended by twelve months, to enable a more detailed review to be undertaken, along with the identification of financial savings going forward. Therefore, the current agreement is due to expire on 31 March 2020.

The agreement states that either party must give 12 months notice to terminate the Agreement, and if by 1 April 2019 neither party has given notice, the Agreement will automatically be renewed for a period of 5 years from 1 April 2020.

Any decision to terminate the Highways Agency Agreement would need to consider the necessary transfer of staff from the City to the County Council under the TUPE arrangements that are set out in the Agreement.

Recommendations:

Members are recommended to:

- 1. Discuss the details of this review of the Norwich Highways Agency Agreement;**
- 2. Decide whether the County Council wishes to enter into another Agency Agreement period, and if so, the duration of that agreement. The alternative would be for the County Council to deliver all functions covered by the existing agreement.**

1. Proposal

- 1.1. Norfolk County Council (NCC) and Norwich City Council have arrangements in place for the discharge of various highway and traffic functions by the City Council on behalf of the County Council. These arrangements are covered by the Highways Agency Agreement.
- 1.2. The decision on whether to carry on with the Highways Agency Agreement between the County Council and City Council is a finely balanced decision. There are advantages and disadvantages for both options considered in this report, as detailed below. All options considered achieve revenue budget savings, although the timing on the delivery of these and the risks associated with them vary.
- 1.3. Officers have considered the following options:
 - **Option A:** Give 12 months' notice to terminate the existing agreement so that the County Council delivers all the remaining highway and traffic functions that are currently delegated to the City Council. This would be effective from 1 April 2020.
 - **Option B:** Renew the Agency Agreement for five years, based on the current agreement but reviewed in line with current best practice from across the industry. This agreement would run from 1 April 2020 to 31 March 2025.

2. Evidence

- 2.1. The Highways Agency Agreement was subjected to reviews in 2010, 2013 and 2017. The overall conclusions in 2010 and 2013 was that the arrangement should continue but with regular reviews and improvements as appropriate. In 2017, it was concluded that the agreement should be extended by twelve months to allow a more detailed review to be completed and to identify possible enhancements and efficiencies which could result in a revenue saving to NCC.
- 2.2. Staff from both the County and City Councils, who work day-to-day on the delivery of the Highways Agency Agreement, have worked closely together over the past year to review the current arrangements and identify where potential savings could be realised. Particular emphasis has been placed on:
 - how effective the working arrangements are between both Councils in terms of delivering the outcomes to residents and stakeholders;
 - the costs of managing and delivering the Agreement.
- 2.3. It is worth highlighting that at the current time, not all highways functions are delivered by the City Council. There are some areas where due to the required specialisms, it is not cost effective for the City Council to delivery these functions. Over time, a number of services have been transferred back to be delivered by County Officers. The latest such event was the transfer of Highway Design staff in summer 2018, as it was not cost effective for the City Council to both recruit, train and retain a specialist Highway Design team. The table below highlights the current split within Highways services.

| Work type | Who delivers? |
|-----------------|---------------------------------|
| Bridges | County |
| Traffic signals | County |
| Potholes | City using County Roadworkers / |

| | |
|---|--|
| | Tarmac |
| Streetlights | Both – separate assets owned by both City and County |
| Highway Maintenance – capital, including surface dressing and resurfacing schemes | Both |
| Highway Maintenance - routine | City using County Roadworkers / Tarmac |
| Highway Improvements - policy / strategy | City, but both for TfN schemes etc |
| Highway Improvements & Maintenance – design | County (recently transferred from City) |
| Streetworks / Permitting | City |
| Winter - Client side | Both |
| Winter – Delivery | County |
| Trees on Highway | City |
| Highways customer queries | City |
| Highways Member queries | Both |
| Highways MP queries | Both |
| Civil Parking Enforcement | City |
| Development Control | City |

As can be seen from the table above, there are a number of interdependencies between City and County teams. The existing arrangements work well as the teams work very closely together, however, it can also be seen that for customers and staff outside of Highways, it can be confusing to know which organisation to speak to about which particular issue.

2.4. In summer 2018, Grant Thornton undertook a detailed audit on whether the existing City Agency agreement provided value for money. The main findings of this audit were:

- Areas of strength around the Agreement include the strong working relationship which has been built between the two authorities, and the benefits that this has brought both in terms of the Agreement and other related linkages including external funding success.
- The Norwich Joint Highways Agency Committee (NJHAC), which oversees the running of the Agreement, provides a clear decision-making process for decisions made in the area. This helps provide an audit trail should any of these decisions be challenged.
- The Annual Report on the delivery of the Agreement, provided to NHJAC, ensures that all of the relevant stakeholders are clear on the output of the Agreement over the course of a year.
- Areas where, in any future agreement, further clarity and precision would help strengthen the Governance and Value for Money arrangements around the Agreement, include:

i). The Agreement itself is largely unchanged from the initial Agreement that was issued back in the 1970's following the re-organisation of Local Government functions. Given the time which has passed since then it would be beneficial for both parties to review and update the Agreement so it remains fit-for-purpose for the 21st Century.

ii). The Agency Fee element of the Agreement has continued to increase over the past four years despite changes in the services covered by it, which should also be reviewed as part of the review of the Agreement.

iii). Since the early months of the current Agreement, there has been very little formal performance monitoring being undertaken by either side of the Agreement. This area should be developed to give both organisations a clear understanding of the Value for Money of the Agreement.

- 2.5. As explained in Section 1, two main options have been considered. These are explained in detail below.
- 2.6. **Option A** is to terminate the Agency Agreement and bring all functions back in house. This would bring clarity as all the functions outlined in the table in 2.3 would be delivered by County Council teams. It would increase resilience and also foster greater consistency between the existing functions delivered by the County Council Highways teams, including the Area Offices and other client teams. There is also the potential to remove some areas of duplication such as the double handing of some customer queries, HR, Finance etc. Although it is expected that there will be cost savings once the transfer is complete, there will also be set up costs and risks. The cost savings are based on replicating the existing West Area Highways team model for delivery. Set up costs and risks include staff TUPE, office accommodation (ideally the staff would be split between County Hall and the Ketteringham Highways depot) and a significant risk around trees. The City have a far higher number of Highway Trees than the County, the maintenance of which is currently part-subsidised by City Council funds.
- 2.7. To clarify, **Option A** would give 12 months' notice to terminate the existing agreement, so that the County Council would deliver all the remaining highway and traffic functions that are currently delegated to the City Council. Subject to all HR, legal and financial issues being resolved, this would be effective from 1 April 2020.
- 2.8. **Option B** is to renew the Agency Agreement for five years, based on the current agreement but reviewed in line with current best practice from within the industry. This agreement would run from 1 April 2020 to 31 March 2025. This is the continuity option which continues with the close working relationship between City Council and County Council officers with delivery of the City Agency function the same as it is today, but with a greater focus on delivering revenue savings, as detailed in section 3 below. The split of functions would be the same as in Table 2.3.
- 2.9. As a result of the Grant Thornton audit and in line with the joint City / Council Officers review, proposals have been identified to reduce the costs of the current Agency Agreement arrangements outlined in **Option B**. These are dependent on external funding bids being successful, including the Housing Infrastructure Fund (HIF) and Transforming Cities bids. More detail of the financial implications of this proposal is detailed in Section 3 of this report.

3. Financial Implications

Current arrangements

- 3.1. The current Highways Agency Agreement consists of payments made to the City Council for works and functions delivered, as well as income generated by these activities. Any surplus income over and above that required to deliver works is payable to the County Council. This is then used to support the delivery of highways activities in the Norwich area.
- 3.2. Payments made to the City Council are summarised in the table below.

| Payment in 2018/19 | Amount |
|---|--|
| Annual City Agency Fee | £615,433 |
| City Streetworks Permit Scheme | £52,852 |
| City Structural Maintenance Fee (revenue) | £108,000 |
| Winter Maintenance | tbc – being managed on staff recharge basis in 2018/19 |
| TOTAL | £776,285 |

- 3.3. Payments are subject to annual index linking as calculated by the Executive Director of Finance and Commercial Services at the County Council.
- 3.4. The Annual City Agency Fee makes up the largest element of cost required to deliver the Highways Agency Agreement and covers a wide range of activities, ranging from highway inspections to network management and handling requests from the public for new highway schemes. To deliver this element of the Agreement, the City Council allocates the equivalent of **14.7** Full Time Equivalent (FTE) staff members. The allocation of this is outlined in the table below.

| Role | FTE |
|---|-------------|
| Highway enquiries and inspections | 5.7 |
| Streetworks / network management | 4.9 |
| Traffic advice, enquiries and request for service | 4.1 |
| TOTAL | 14.7 |

- 3.5. Staff at the County Council work closely with the City Council on many of the activities outlined above but not to the extent that there is duplication of service delivery. The City Council performs the lead or first contact role in these activities.
- 3.6. Income received from the City Council can be broken down into the following categories:
- Permits from items in the highways (such as scaffolding and skips). This is in the region of £10,000 net income per annum. This has been retained by the City Council in previous years.
 - Any surplus generated from delivering Civil Parking Enforcement (CPE) activities and the enforcement of bus lanes. Income varies year on year, depending on the level of infringements, new-hardware requirements etc.

The surplus is then transferred to the County Council for spending on highways and transport measures within the Norwich area.

- Advertising income from roundabout sponsorship etc. This has been retained by the City Council in previous years.

3.7. It should be highlighted that the figures quoted in 3.2 already reflect a £48,000 in year saving due to the removal of the winter maintenance allocation and a small reduction in the annual fee. This will be reduced by the actual staff recharge relating to winter at the end of the season, but demonstrates the ongoing partnership work between City and County Officers with regards to positively responding to the financial challenges.

3.8. **Proposed Options**

The two suggested options for the future of the City Agency Agreement are:

- **Option A:** Give 12 months' notice to terminate the existing agreement and from 1 April 2020 all remaining highway and traffic functions are delivered by the County Council;
- **Option B:** renew the Agency Agreement for a further five years, based on the current agreement but reviewed in line with current best practice from within the industry. This agreement would run from 1 April 2020 to 31 March 2025.

3.9. **Option A** would bring clarity to all functions as the County Council would be responsible for all areas of highway and transportation in Norwich. This option would provide improved resilience and improve consistency between City and County areas. It should be highlighted that, in line with other District and Borough Councils in Norfolk, the City Council would still be responsible for all matters related to off street car parking. The arrangements for on street parking enforcement would need to be reviewed with the countywide parking review work currently being developed.

3.10. With **Option A**, it is anticipated that there will be cost savings of between £50,000 to £75,000 per year. This is based on the current West Area Highways team model being replicated. There will also be set up costs and risks. These include staff TUPE arrangements, finding office accommodation and a significant risk around trees. The City have a high number of trees on Highway land, the maintenance of which is currently subsidised by City Council funds. The previous Highway licence status of these trees would need to be researched further.

3.11. **Option B** continues the status quo and renew the Agency Agreement for five years, based on the current agreement but updated to reflect current best practice from within the industry. This agreement would run from 1 April 2020 to 31 March 2025. This is the continuity option which continues with the close working relationship between City Council and County Council officers with delivery of the City Agency function the same as it is today, but with a greater focus on delivering revenue savings.

3.12. Officers have identified that revenue savings of £110,000 can be achieved from the current annual agency fee through part capitalisation. This will come predominantly from the transport planning element as a result of the changes in working practices around the development of highway improvement programmes. In recent years, with the reduction in the LTP improvements budget, the scope for the City Council identifying and administering their own

transport improvement programme using LTP investment has declined and the City Council now works very closely with the Transport for Norwich team to secure investment from outside sources. The City Council have been awarded over £13m of cycle ambition funding in the last 5 years from the Department for Transport, which alongside the £11.175m funding from the LEP has driven the Transport for Norwich programme. Looking forward to the next 4-5 years, the exciting opportunity afforded by these successful bids to get the Greater Norwich area awarded Transforming Cities status means that majority of work that was previously undertaken through the agency transport planning fee can be capitalised to the Transforming Cities fund.

- 3.13. In addition, there are savings which can be made to the highways element of the lump sum fee by ensuring that fees are capitalised wherever possible; this is particularly relevant to staff in the Streetworks team who will be helping with the development and co-ordination of Transforming Cities schemes. Therefore, overall **Option B** would result in the annual Agency Fee reducing down from its current total level of £776,285 to around £660,000.
- 3.14. It should also be noted that some of the proposed savings under Option B would also be possible under Option A. However, as these costs are currently managed by the City Council, the exact amount is not currently known.

4. Issues, risks and innovation

- 4.1. When making any decision related to the future of the Highways Agency Agreement, it is important to note that this Agreement and the delivery of the Transport for Norwich (TfN) programme of transport schemes are separate entities. The Highways Agency Agreement is focused around the day-to-day delivery of highway functions, whereas the TfN programme is the delivery of strategic transport schemes outlined. For example, removal of through traffic from St Stephens Street in Norwich is linked to delivery of the TfN Implementation Plan and is not as a result of having a Highways Agency Agreement in place.
- 4.2. Risks have been highlighted within the two options contained within this report. Given the significant change, Option A represents the highest risk option which will require careful management. Option B represents a lower risk option as it is a continuation of the status quo (although resilience is an area of risk).
- 4.3. In light of the above information, the decision on whether to carry on with the Highways Agency Agreement between the County Council and City Council is a finely balanced decision. There are advantages and disadvantages for the options considered in this report. All options considered achieve revenue budget savings, although the timing on the delivery of these and the risks associated them vary.

5. Background

- 5.1. The following papers provide background to the Norwich City Agency:

[1 March 2010 Cabinet – paper on Norwich City Highways Agency Review](#)

[19 Jan 2018 EDT committee – Review of the Norwich Highways Agency Agreement](#)

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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| Report to | Cabinet | Item 1 |
| | 13 February 2019 | |
| Report of | Head of city development services | |
| Subject | Norwich Highways Agency Agreement | |

KEY DECISION

Purpose

To ask Norfolk County Council to reconsider its' decision not to renew the Norwich Highways Agency Agreement

Recommendation

- (1) To ask Norfolk County Council to reconsider its decision not to renew the Norwich Highways Agency Agreement based on the implications for Norwich and Norfolk set out in this report that were not made clear in the report to the Environment, Development and Transport committee; and
- (2) Either:
 - a) Renew the agreement for a further period; or
 - b) Develop with the city council alternative arrangements that continue to deliver the best transport outcomes for Norwich and Norfolk.

Corporate and service priorities

The report helps to meet the corporate priority a safe, clean and low carbon city.

Financial implications

This report focuses on the strategic and reputational issues. There are negative financial implications should the agency agreement not be renewed some of which are described in the officer report to the county council's Environment, Development and Transport Committee of 18 January 2019.

Ward/s: All Wards

Cabinet member: Councillor Stonard - Sustainable and inclusive growth

Contact officers

| | |
|---|--------------|
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Background documents

None

Report

Background

1. Since local government re-organisation in 1974 a series of consecutive highways agency agreements have been in place between Norfolk County Council and Norwich City Council which have delegated local highway authority functions to the city council to undertake on the county council's behalf. As part of the agreement the city council agrees not to exercise certain district powers relating to highways.
2. It is important to recognise that the delivery of these functions by the city council is made within the context and direction set by relevant county council policies. Also the programmes and schemes delivered, such as Transport for Norwich projects, arise out of county council programmes and plans. The county council's Transport for Norwich programme, which has resulted in such measures as improvements at the Dereham Road/Sweet Briar Road roundabout or the closure of Westlegate, should not be confused with the agency agreement.
3. At its meeting on 18 January 2019, the county council's Environment, Development and Transport (EDT) committee resolved not to renew the current agency agreement when the existing agreement ends on 31 March 2020. The exception to this is on-street Civil Parking Enforcement (CPE)¹ which remains delegated to the council.
4. The EDT report has a relatively narrow focus and in particular is concerned with the costs associated with the agency agreement and operational matters. It does not necessarily consider the impact on Norwich nor its position as regional capital and the interdependence between the city and its wider county catchment. It is for this reason that the city council believes the county council was premature in making the decision it did.
5. It is therefore respectfully asking that the following wider implications are considered before any final decision is made:

Norwich 2040 vision

6. The council has been working with a huge range of interests and stakeholders whose geographical remit includes the city but also very often Norfolk and East Anglia more widely to develop a vision for the city. This vision sees Norwich becoming "a shining example for medium-sized cities across the globe", leading rather than following and taking steps to make sure it prospers for all who live, work, and visit or otherwise rely on it.
7. One of the key themes that have emerged is the need for a connected city, both within but also with its wider catchment into Norfolk and the world more generally. Transport plays a key role in this and a wide range of organisations need to work together to ensure that it is effective, clean, affordable and

¹ On-street CPE is also delegated to other district councils in Norwich. The county propose to review CPE in the coming months with the district councils.

integrated. The integration of planning, parking and regeneration activities with transport that arises from the agency agreement is a key tool in delivering effective transport in the urban area that best meets the needs of all who live or use the city; balancing the need for good connectivity with managing the consequences that can arise.

Transforming cities fund

8. Norwich has been shortlisted as one of 12 cities where the highway authority, i.e. Norfolk County Council, is entitled to bid for a share of £1.28 billion for work to transform the way people move around the urban area; making it more efficient to improve productivity and facilitate sustainable economic growth.
9. The city council was instrumental in preparing the initial successful expression of interest bid (much more so than Broadland or South Norfolk District Councils) working with county colleagues. Use was made of the expertise that the city has in urban planning and land use issues and the knowledge that the council has about the needs of the city's residents and those that use the city.
10. The dismantling of the agency agreement has the potential to derail the potential success of the transforming cities programme and the preparation of the business cases to secure the funding for which urban Norwich is eligible. In turn this runs the risk that the rewards of improved productivity and connectivity that would be enjoyed by both those living in the urban area and those that rely on it travelling from further afield would be lost.
11. The urban area of Norwich is the preeminent employment location in Norfolk and one of the fastest growing cities in the country with very good prospects for this to continue. However the bidding for and delivery of transforming cities projects will be undoubtedly challenging. To best benefit Norwich and its hinterland it would seem to make most sense to build on the existing strengths that the two authorities have in place through the agency agreement rather than remove them. The skills and joint working that have been instrumental in the success of this bid – as well as in previous bidding such as the City Cycle Ambition Grant programmes – should not be jeopardised.

Norwich highways agency committee

12. Since 1996 all decisions relating to changes to the highway in the city have been considered by the Norwich Highways Agency Committee (NHAC). NHAC is a joint committee of both councils, which the county has control of by way of the chair's casting vote.
13. The combination of county and city members is its strength as it elegantly ensures that both county and city interests are properly represented, that these interests also take account of all perspectives and not just those associated with the city administrative area and that ultimately the county council's strategy prevails. It is perhaps for good reason that the recent audit of the highways agency commissioned by the county council commented on the strength of the workings of the joint committee.
14. Without NHAC the proposal is for decisions about transforming cities to be made by the relevant county cabinet member in consultation with member

representatives from the city council, Broadland and South Norfolk District Councils. This appears to be a retrograde step which diminishes the transparency, inclusiveness and accountability provided via NHAC.

Development management

15. The quality of development in the city is significantly enhanced by the integration of the planning and transportation teams. There are many constraints that arise from trying to develop in an urban area, particularly an historic city such as Norwich. The integration of planning and transportation through the agency agreement ensures that there is the best possible balance between the provision of new uses, their design and the provision of high quality access, which does not adversely affect existing road users.

16. For example

- Through the agency agreement, the development management service is able to give clear and quick – and hence less costly – advice to developers, that incorporates transport and highways considerations.
- Recognition can be given to future highway schemes which may not yet be in the public domain to ensure that development does not conflict with them.
- Having transport professionals working alongside planners ensures key traffic and highway details are always picked up.
- Highway streetworks professionals are able to advise on the programming and construction management of development.
- Officers working at the city council under the agency agreement have developed a high level of expertise in dealing with the specific transport and design requirements of an urban environment
- The close working ensures both transport professionals and planners have a more rounded perspective allowing more creative solutions and better decisions.

17. There is no doubt that the rounded advice this helps ensure is seen as beneficial by planning applicants. Termination of the agreement would remove the close integration in place and consequently introduce an additional impediment to development, putting new commercial and residential investment at risk.

On street parking

18. On-street parking issues including the creation of controlled parking zones or yellow lines to improve access make up a substantial proportion the work delivered via the agency agreement. Norwich is a successful city economy but relies on an historic road layout, which means parking is a major issue for residents and businesses.

19. Operationally there is considerably increased potential for confusion if one council is dealing with the day to day administration of parking permits and

penalty charge notices, while another council is responsible for making changes to parking restrictions or introducing new permit areas.

20. On-street parking is one component of the parking offer the city provides; the others being park and ride (provided by the county council) and off-street parking (provided by the city council and other third parties). The agency agreement has helped ensure that the constituent elements operate in harmony and are consistent with jointly agreed policies to best meet demand and help control congestion. Without an agency agreement the risk arises that such integration breaks down and commercial drivers to maximise income prevail at the expense of effective network management.

Air quality

21. The need to manage and improve air quality is a district council responsibility, however vehicle traffic is the main contributor to excessive levels of nitrogen dioxide in parts of the city centre where statutory limit values are exceeded. Air quality therefore necessarily has to involve the transport authority, i.e. Norfolk County Council.
22. Until now the city and county councils have worked collaboratively to resolve air quality issues with the agency agreement providing a means for environmental health and transport disciplines to work effectively together resulting in reduced emissions in many streets. There is undoubtedly more work to do and the separation that would arise if the agency agreement ended would lead to less efficient working and potential for conflict and hence reduced effectiveness in addressing the issue. In turn this creates the risk of continuing health impacts affecting not only residents but also those who work and visit the city more generally.

Events

23. Norwich is noted for the range and quality of events held in the city centre and elsewhere. These include the Lord Mayor's procession, Battle of Britain and Remembrance events and various other sporting and cultural occasions which are enjoyed by city residents along with those living in the rest of Norfolk. These very popular events are important to the economy helping to sustain the city centre economy.
24. With the events team and street works teams co-located in City Hall there is a very strong working relationship between the two which ensures the events themselves are a success and that the impact of such events is minimised on road users. The work done between these teams has resulted in the success of national level events such as Radio 1 Big Weekend and the upcoming British Cycling Championships.

Operational implications not fully addressed in the EDT report

25. Street trees – As the EDT report mentions, currently the city council makes a significant financial contribution to the inspection and maintenance of trees that are within the highway. Street trees provide multiple environmental services to the city - cleaner air, wildlife habitat, flood mitigation, sense of well-being, mitigating urban heat island effects and aesthetic pleasure.

26. The city council currently spends in the region of £300k above that which Norfolk County Council provides and if it reduces its expenditure because it no longer has responsibility for the highway then the county council will need to spend more. The alternative is to remove trees, just when the Government is consulting on measures to ensure that local authorities are more sensitive to tree provision and views of communities following on from the controversial tree felling in Sheffield.
27. Avoidable contact – While the county council report suggests there is confusion among the public as to which authority to approach on a highway issue, in reality the numbers experiencing this are low and the vast majority of correspondence comes to the city council in the first instance. The city council takes responsibility and ownership of issues providing one point of contact for customers.
28. Ending the agency will therefore mean that all those that are used to contacting the city council will now be directed to the county council resulting in significant levels of avoidable contact, which is both inefficient and will be costly to both authorities. Furthermore contact often relates to a variety of issues. The efficiency of being able to address such contact on a ‘one-stop’ basis would be lost in the absence of the agency agreement. The reality is that avoidable contact is likely to increase to the detriment of both authorities.
29. Joint working – present arrangements allow for district and highway/transportation functions to be integrated. The link between planning and transportation has already been highlighted. Other examples include:
- a) The integrated approach to gully and street cleaning in streets so that activities are coordinated improving customer satisfaction and reducing flooding risk. This integration is possibly unique within two tier authority areas.
 - b) Collaboration between all staff involved in street scene management so that highway defects or overhanging vegetation issues are more quickly addressed.
 - c) Coordinating highway authority and district powers (e.g. development control) to more effectively address streetscene problems such as advertising trailers or encroachments.
 - d) Coordinated maintenance of open spaces which are part adopted highway and party land owned by the council, for example Hay Hill and areas in Bowthorpe.
 - e) Enhanced planting on roundabouts through city council and Norwich in Bloom initiatives which also deliver planting more cheaply and offer horticultural training for students.

Conclusion

30. It is very regrettable that when transport in Norwich is on the cusp of the beneficial opportunities offered by the transforming cities fund, that the county council are seeking to dismantle a successful delivery mechanism that has

operated in the city over many years. An independent audit report commissioned by the county council to inform the decision about whether the agency agreement should continue which was not shared with members of EDT or NHAC concluded “Areas of strength around the Agreement include the strong working relationship which has been built between the two authorities, and the benefits that this has brought both in terms of the Agreement and other related linkages including external funding success.”

31. The agency agreement has been an important element in the set of collaborative working arrangements that have enabled ever closer joint working and improved governance between the two councils as well as our neighbours. These have involved the creation of the Greater Norwich Development Partnership, preparation of the Norwich Area Transport Strategy and Joint Core Strategy, entering into the City Deal, forming the Greater Norwich Growth Board, pooling community infrastructure levy, obtaining central government and Local Enterprise Partnership infrastructure funding and more recently the exceptionally close working on the transforming cities fund.
32. It would be deeply regrettable if the cessation of the agency agreement led to a reversion to the poor relations between the two councils that existed in the past when the city council challenged various major transport projects through planning and legal processes. It is appreciated that circumstances and context change. However the council concludes that an agency agreement remains a relevant and very important component in the delivery of good transport for Norwich and those who rely on Norwich. If the county council are determined to terminate the present agreement then robust alternative provisions should be put forward to ensure the risks of negative implications set-out in this report are avoided.

Integrated impact assessment



NORWICH
City Council

Report author to complete

| | |
|-----------------------------------|-----------------------------------|
| Committee: | Cabinet |
| Committee date: | 13 February 2019 |
| Director / Head of service | Andy Watt |
| Report subject: | Norwich highways agency agreement |
| Date assessed: | 4 February 2019 |

| | Impact | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Economic (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Finance (value for money) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | There are positive (savings on tree and grounds maintenance expenditure) and negative (overhead recovery) implications of the termination of the agreement. However on balance the impact on overall public purse is judged to be positive if the agreement is retained or successor arrangements agreed. |
| Other departments and services e.g. office facilities, customer contact | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The effectiveness of the council's planning, streetscene and parking functions is greater with the agency agreement than without. |
| ICT services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Economic development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The agency agreement allows for transportation aspects of local economic development and regeneration to be more effectively addressed. |
| Financial inclusion | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The recommendation has no impact on financial inclusion. |
| | | | | |
| Social (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Safeguarding children and adults | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The recommendation has no social impact. |
| <u>S17 crime and disorder act 1998</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The recommendation has no social impact. |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The recommendation has no social impact. |
| Health and well being | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Retention of the agreement or satisfactory successor arrangements will help ensure effective means are in place to tackle traffic related air pollution and hence improve health and wellbeing. |

| Equality and diversity (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Relations between groups (cohesion) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The recommendation has no impact on equality and diversity. |
| Eliminating discrimination & harassment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The recommendation has no impact on equality and diversity. |
| Advancing equality of opportunity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The recommendation has no impact on equality and diversity. |
| | | | | |
| Environmental (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Transportation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The agency agreement ensures a balanced transport system for the city that helps it meet its economic potential whilst reconciling the needs and perspectives of people living in and outside the urban area. |
| Natural and built environment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The agency improves links between the natural & built environment and transportation through the integration that exists with the planning process for example. |
| Waste minimisation & resource use | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Pollution | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Retention of the agreement or satisfactory successor arrangements will help ensure effective means are in place to tackle traffic related air pollution. |
| Sustainable procurement | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Energy and climate change | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| (Please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
|------------------------------------|--------------------------|-------------------------------------|--------------------------|---|
| Risk management | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Retention of the agreement or satisfactory successor arrangements will help ensure the risks associated with terminating the current effective and successful arrangements. |

| Recommendations from impact assessment |
|---|
| Positive |
| Retaining the agency agreement or satisfactory successor arrangements ensure transport in Norwich is effectively managed and improved for the benefit of the city and Norfolk as a whole. |
| Negative |
| Terminating the agreement presents a variety of significant risks which are rehearsed in the report and are opposite to the reasons for retaining it. |
| Neutral |
| |
| Issues |
| The council will need to consider its position should the agency agreement not be renewed satisfactory successor arrangements come forward. |