

## **Cabinet – 14 December 2016**

### **Urban Traffic Control Shared Service**

<b>Portfolio:</b>	Councillor Lee Jeavons (Deputy Leader) –Regeneration
<b>Service:</b>	Engineering and Transportation
<b>Wards:</b>	All
<b>Key decision:</b>	Yes
<b>Forward plan:</b>	Yes

#### **1. Summary**

- 1.1 This report outlines the progress made in the development of a shared service for the delivery of Walsall's urban traffic control functions and outlines the service delivery improvements and budget savings that have been achieved through the initial phase of shared service arrangements with Wolverhampton City Council.
- 1.2 Approval is now sought to formalise ongoing shared service arrangements through legal agreement with Wolverhampton City Council. The agreement will incorporate the TUPE transfer of 4 Walsall employees to Wolverhampton City Council.
- 1.3 The report outlines further areas where shared service development opportunities may exist and seeks approval to develop proposals for future consideration by Cabinet.

#### **2. Recommendations**

- 2.1 That Cabinet approve the continuation of formal shared service arrangements with Wolverhampton City Council for the delivery of urban traffic control functions and delegate authority to the Executive Director Economy and Environment in consultation with the Portfolio Holder for Regeneration to develop and sign the associated legal agreement.
- 2.2 That Cabinet approve the TUPE transfer of 4 Walsall Council employees to Wolverhampton City Council as part of the shared service arrangements.
- 2.3 That Cabinet note and approve the intention to explore opportunities for shared service arrangements for the delivery of Traffic Engineering and Road Safety Education functions with Wolverhampton City Council.

### **3. Report detail**

- 3.1 The Council has operated an urban traffic control service since 1992 for the day to day management and coordination of the Council's traffic signal infrastructure. The service ensures the road network is operated efficiently through positive control and coordination of approximately 220 traffic signal installations across the borough.
- 3.2 As a result of a growing traffic signal asset base, compounded by ongoing council budget challenges, the service has struggled to deliver suitable levels of service and needed to review alternative options for future service delivery. Initial reviews of Black Country urban traffic control arrangements highlighted other Authorities were facing similar challenges.
- 3.3 In line with the commitment to develop shared service arrangements across the Black Country (as outlined in the Leaders report to Council 17 November 2014) detailed shared service delivery options were developed and trialled with Wolverhampton City Council.
- 3.4 The shared service arrangements resulted in the initial co location with effect 1 January 2015, of Walsall and Wolverhampton staff in the Wolverhampton City Council control centre. This was the most suitable location given its existing arrangements for the delivery of urban traffic control functions for Dudley Council coupled with extensive CCTV and Metro operations on behalf of CENTRO (now Transport for the West Midlands).
- 3.5 The arrangements were intended to be an initial co location to trial the effectiveness of the proposals, followed by a formal shared service agreement with a single employer. Importantly, the shared service arrangements will have a management board comprising Walsall and Wolverhampton Heads of Service to direct the shared service priorities for delivery.
- 3.6 The shared service arrangements have and will continue to increase the regional skills base and pool of staff available to deliver the day to day control and coordination of over 800 traffic signal installations located in Dudley, Walsall and Wolverhampton.
- 3.7 The shared service arrangements have proved to be successful for Walsall and Wolverhampton, significantly improving the ability to deliver our Statutory Network Management Duties.
- 3.8 Ongoing annual budget savings of £40k have been achieved and deliver the savings requirements resulting from the development of a shared service as identified in the Corporate Budget Plan and Treasury Management Strategy 2015/16 approved by Council 26 February 2015.
- 3.9 The shared service arrangements are proposed to operate until 31 March 2025. However, the legal agreement will permit the flexibility for the arrangements to be concluded sooner than this date should the Council feel the arrangements no longer meet its requirements.

- 3.10 Given the initial success experienced throughout the co location with Wolverhampton City Council, it is proposed that further work be undertaken to explore the possibilities of other shared services. The functions of Traffic Engineering and Road Safety Education are potential areas for development with Walsall taking the lead role. Officers propose to evaluate and bring a further report to Cabinet for consideration.

#### **4. Council priorities**

- 4.1 The provision of an efficient road network will support business to thrive and supporting local people into work. Reductions in traffic congestion will assist in improving air quality bringing health and wellbeing benefits for residents and visitors to Walsall.
- 4.2 The development of this shared service, delivers against the commitment to develop shared service arrangements across the Black Country as outlined in the Leaders report to Council 17 November 2014.

#### **5. Risk management**

- 5.1 Failure to adequately discharge the requirements of the Network Management Duty could result in the local traffic authority being classed as a failing traffic authority and resulting in direct government intervention. As a result of these shared service arrangements the likelihood of any intervention will be reduced.

#### **6. Financial implications**

- 6.1 The shared service agreement with Wolverhampton City Council will require Walsall to meet the ongoing costs of its part of the service. This is anticipated to be approximately £443k per annum for a 9 year period and will be met from within the existing service budgets. These costs can be broken down into 3 main areas:
- Staffing costs
  - Contract maintenance of Walsall's traffic signal infrastructure
  - Communication circuits to traffic signal infrastructure that facilitate efficient coordination of traffic flows across the borough
- 6.2 Annual revenue savings of £40k have already been achieved as a result of the shared service arrangements.
- 6.3 Additional revenue savings of approximately £50k per annum have already been achieved for the last 5 years as a result of regional collaboration to procure traffic signal maintenance contracts.
- 6.4 The service manages Walsall's traffic signal infrastructure that has an asset replacement value of approximately £20m

- 6.5 The service has previously been successful in securing significant external capital funding to invest in improvements to the traffic signal infrastructure that would improve traffic flows throughout Walsall and the wider West Midlands region. Walsall received approximately £3m of the overall £25m awarded by the Department for Transport to the West Midlands region.

## **7. Legal implications**

- 7.1 The Traffic Management Act 2004 imposes a Statutory Network Management Duty on the Council. These arrangements will improve the Council's ability to discharge that Duty.
- 7.2 The shared service will be subject to a formal legal agreement between Walsall and Wolverhampton and will be in a format as agreed by Walsall and Wolverhampton Legal Services.
- 7.3 The arrangements will require 4 of Walsall's staff to TUPE transfer to Wolverhampton City Council. This transfer will be undertaken in accordance with all relevant TUPE legislation.
- 7.4 With the development of the regions Combined Authority and Devolution aspirations, these arrangements will facilitate the delivery of improved network management across the statutorily defined Key Route Network of roads within the Black Country.

## **8. Property implications**

- 8.1 The shared service arrangements have already allowed the office space within the Council House previously allocated to the urban traffic control team to be reallocated for alternative corporate use.

## **9. Health and wellbeing implications**

- 9.1 None as a result of this report

## **10. Staffing implications**

- 10.1 Should Cabinet approve the completion of the shared service arrangements, 4 of Walsall's staff will TUPE transfer to Wolverhampton City Council. The staff concerned, are already co located with Wolverhampton staff in the Wolverhampton Civic Centre and are fully aware of the possible TUPE transfer.

## **11. Equality implications**

11.1 None as a result of this report

## **12. Consultation**

12.1 This report has been discussed with Finance, Legal and HR services whose comments have been considered and incorporated where appropriate.

12.2 Formal consultation with the unions representing the staff impacted by these arrangements has been undertaken.

## **Background papers**

Leaders report to Council 17 November 2014

Corporate Budget Plan and Treasury Management Strategy 2015/16 approved by Council 26 February 2015

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7 December 2016



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7 December 2016