

Name of meeting: Cabinet
Date: 13th November 2018
Title of report: Arrangements for the Establishment of a West Yorkshire Urban Traffic Management Control Service

Purpose of report: The report seeks Cabinets approval for the establishment of a joint West Yorkshire UTMC service to be hosted by Leeds City Council

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports?)</u>	Yes
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director & name</u> Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	Karl Battersby – 24 October 2018 Eamonn Croston – 26 October 2018 Julie Muscroft – 26 October 2018
Cabinet member <u>portfolio</u>	Cllr Peter McBride - Cabinet Lead Member – Economy (inc. Transportation) Cllr Naheed Mather - Cabinet Lead Member – Communities Cllr Graham Turner - Cabinet Lead Member - Corporate

Electoral wards affected: All

Ward councillors consulted: None

Public or private: Public

1. Summary

- 1.1 The purpose of this report is to provide information to the council's cabinet about the proposals for the establishment of a West Yorkshire Urban Traffic Management Control (West Yorkshire UTMC) Service. It sets out the background to the development of the proposal and requests delegated authority for the Strategic Director for Economy and Infrastructure to progress with arrangements for establishing the service which will be hosted by Leeds City Council.
- 1.2 The establishment of a West Yorkshire UTMC service would benefit all West Yorkshire Councils in delivering a more resilient and cost effective service using

funding allocated from the West Yorkshire Transport Plus Fund to help facilitate the change.

- 1.3 The new service would take over responsibility for the design of new traffic signal installations for all of West Yorkshire and would be responsible for their operation, co-ordination and maintenance under the governance of a service level agreement. Local authorities would however retain ownership of the traffic signal asset together with responsibility and for payment of associated energy costs.
- 1.4 The Key Benefits of the West Yorkshire UTMC service would be:-
 - Provision of a well-resourced West Yorkshire UTMC service, better able to maximise opportunities afforded by economies of scale and efficiencies.
 - Provision of a consistent UTMC service across West Yorkshire.
 - Better management of congestion to unlock capacity on the highway network.
 - Improved journey time reliability.
 - Better management of unplanned events.
 - Improving air quality.
 - Increased employment and promotion of economic growth by the completion of transport schemes across West Yorkshire regardless of administrative boundaries.
- 1.5 Initial discussions into the possibility of establishing a joint service have taken place between the council leaders and chief executives. As a result of these discussions agreement in principle has been reached to support the development of a joint service solution.
- 1.6 Cabinet is asked to:-
 - Note in principle the arrangements for the establishment of a West Yorkshire UTMC joint service, subject to the outcome of the consideration of the full business case by the combined authority;
 - Approve in principle, that should a joint West Yorkshire shared service be established that Leeds City Council will become the host authority;
 - Authorise the Strategic Director for Economy and Infrastructure in consultation with the portfolio holder to progress with the other local authorities any arrangements necessary to support the implementation of the joint West Yorkshire UTMC service.
 - Note the potential requirement to transfer staff via TUPE from Kirklees Council to Leeds City Council, to work within the West Yorkshire UTMC service.
 - Note the proposed creation of an organisational unit with Leeds City Council's City Development Directorate for the West Yorkshire UTMC service and that the proposed West Yorkshire Joint Service maybe based at the Joint Services Building in Morley subject to the outcome of the Full Business case and completion of all legal requirements: and
 - Note that this report discusses the fact that further work is required in relation to the establishment of The Joint West Yorkshire UTMC service and that once final agreement has been reached in relation to the operational arrangements for this service a further report will be presented to the cabinet for approval.

2. Information required to take a decision

- 2.1 Currently UTMC services are delivered independently by each of the West Yorkshire authorities with the exception of Calderdale who procure their services from Leeds

City Council. The four West Yorkshire UTMC teams work in different locations to varying service level agreements, with some limited formal cross boundary operations (e.g. shared external maintenance contracts, shared supply and installation contracts).

- 2.2 The Joint West Yorkshire UTMC project comprises of 3 distinct parts:-
 - a. The joining up of all districts UTC/UTMC computer systems into two comprehensive systems located within the cloud.
 - b. The undertaking of on-street improvements to UTC equipment at key junctions on the West Yorkshire Key Route Network.
 - c. The re-organisation of the West Yorkshire UTMC services through the consolidation of the four existing West Yorkshire UTMC teams.
- 2.3 Discussion in relation to the principle of establishing a joint West Yorkshire UTMC, were held with respective Council Leaders and Chief Executives as the development of an expression of interest for the project. These discussions were positive to the proposal and an in principle agreement was reached, supporting exploration of this project.
- 2.4 The project was included in the 2015 West Yorkshire - Plus Transport Fund submission to government. Based on a £7.3m cost and journey time, benefits for all modes of transport, the project projected benefits of £28.5m and the production of a projected GVA/£ spent score of 3.9 which ranked it among the top 3 highest scoring schemes in the list of 33 agreed projects.
- 2.5 An outline Business Case for elements (a) through (c) was considered by the combined authority on the 5th of April 2018 and approval was given to progress the project to Full Business Case (FBC). The FBC submission for elements (a) and (b) at the Combined Authority approvals procedure decision point 4 was submitted in July 2018 and is currently progressing through the approvals process. A further FBC for element (c) is proposed to be submitted in December 2018.
- 2.6 Key Stakeholders have been briefed about the work of the project board to ensure that they understand the direction of travel towards a joint service. Regular briefings continue to be produced.
- 2.7 Each Local Authority will have key staff in the areas of Legal, IT, HR, Finance, Procurement, Communications and Business Support involved in progressing the joint service development. The formal process of engagement with staff, elected members and the key officers, who will establish the service has not commenced as the governance model needs to be agreed.
- 2.8 The staffing structure and funding model for the new joint service is being developed jointly by the districts via the project board. This will require further discussion regarding arrangements for staff, and consultation with trade unions once proposals have been agreed.

OTHER CONSIDERATIONS

- 2.9 Traffic signals design and operation is a bespoke area of engineering and there is a national, regional and local problem with recruitment and retention of staff with the necessary skills. As of December 2017, there were 27 staff across the region employed by the four UTC teams and several vacancies. The average age of staff employed is 48 years of age with 19 members of staff (70%) above the age of 45. Consequently it is likely that staff shortages will be exacerbated in the near future as staff retire.

- 2.10 Current thoughts for the West Yorkshire UTMC Service would see the service led by a Head of Service with a staffing structure which is being designed around three core service functions, namely scheme design, maintenance & operation and research & development. Detailed proposals are still currently being developed by Leeds City Council and are being developed based on best practice drawn from across the UK.
- 2.11 Staff from Bradford, Wakefield and Kirklees will be transferred into the employment of Leeds City Council within the West Yorkshire UTMC service. The proposal does not affect any staff in Calderdale MBC as their UTMC service is currently provided by Leeds City Council. The transfer of staff requires detailed HR processes to address TUPE, assimilation, due diligence etc. as well as formal consultation with the staff and trade unions in the coming months. For Kirklees employees who TUPE transfer to Leeds City Council their pension benefits within the West Yorkshire Pension Fund will transfer to Leeds City Council. The value of the pension benefit for transferring employees will not be affected by the transfer.
- 2.12 There has been informal engagement with the affected staff and trade unions by each local authority throughout the development of the Business Case submissions. Unions have been approached at a regional level to advise of the intention to explore the creation of a joint West Yorkshire UTMC service.
- 2.13 It is anticipated around 36 full time equivalent (FTE) staff will be required to discharge this function. This will include both existing Leeds employees and approximately 18 staff transfer from the other 3 West Yorkshire local authorities. This will include employing a Head of Service for the function. There will be 6 staff within Kirklees who will transfer to the new service.
- 2.14 Subject to approvals of the Business Cases funding later this year and completing all the associated legal agreements it is currently proposed that the West Yorkshire UTMC Service will be based in the West Yorkshire Joint Services building in Morley. Using mobile and flexible working arrangements it is also envisaged that staff will be deployed to districts when engaged on the design of the project, as part of a wider project team. Appropriate arrangements will be put in place to ensure that they have adequate resources.
- 2.15 All of the 5 West Yorkshire councils are the designated Highway Authority and Local Traffic Authority for their own geographical area, with their responsibilities being laid down in the Highways Act 1980, Road Traffic Regulation Act 1984 and Traffic Management Act 2004. The Combined Authority is not a Highway Authority, nor a Local Traffic Authority, but it does have powers for integrated transport in West Yorkshire. Under the Local Transport Act (2008) districts can, with agreement, transfer local highway powers to a Combined Authority or other district Council as an Executive decision. The receiving authority then becomes responsible for the legal obligations for the function transferred e.g. urban traffic control. Alternatively, informal, non-legally binding service level agreements, or formal co-operation contracts could be put in place between districts or a "host" authority to cover the UTC functions. Currently the use of non-legally binding service level agreements are being promoted as the preferred approach to governance of the joint service.
- 2.16 It is anticipated that the Full Business Case for elements (a) through to (c) will be submitted for approval by the Combined Authority at their decision point 6 for the WY-UTMC Service will be submitted in December 2018. Approval of this submission will release the requisite funds necessary for the establishment of the service and configuration of the Joint Services building at Morley.

3. Implications for the Council

3.1 Early Intervention and Prevention (EIP)

Not Applicable

3.2 Economic Resilience (ER)

- 3.2.1 The establishment of a West Yorkshire combined UTMC function should lead to better working which in turn will provide for improved communications across the West Yorkshire region leading to a more efficient traffic signal network.

3.3 Improving Outcomes for Children

Not Applicable

3.4 Reducing demand of services

- 3.4.1 There will be no reduction in demand for services for Kirklees. The transport network will continue to rely on traffic signal to manage traffic flows, reducing congestion and improving air quality. By creating a West Yorkshire function, it should create opportunities for meeting increasing demands on the transport network.

3.5 Other (e.g. Legal/Financial or Human Resources)

- 3.5.1 It should be noted that there is still further work to be undertaken to finalise the overall business case for a combined West Yorkshire UTMC service.
- 3.5.2 This business case will be presented to each of the districts respective executives for approval later in the year. The business case will highlight all financial costs together with any Service level agreements needed to be implemented across each of the districts and the impact on revenue budgets that this may identify.
- 3.5.3 Subject to approval there would be a requirement for staff to transfer from Kirklees Council to Leeds City Council. It is recognised that the Transfer of Undertaking (Protection of Employment) Regulations 2006 (“TUPE”) would apply to any transfer of staff between authorities.

4 Consultees and their opinions

- 4.1 The leaders and Chief Executives of all five local authorities of all five West Yorkshire Local Authorities have been briefed and are fully supportive
- 4.2 The West Yorkshire Key Route Network Board via the Combined Authority who consult with Bus Operators and the Road Haulage association
- 4.3 Trade Unions and a regional and local level with regards to the new service and staffing implications

5 Next steps

- 5.1 Further work is currently ongoing to prepare a detailed business case highlighting operational, financial and legal requirements in determining the viability of the proposed combined UTMC service.

6. Officer recommendations and reasons

- 6.1 That Cabinet notes in principle the arrangements for the establishment of a joint West Yorkshire UTMC service subject to the outcome of the consideration of Full Business cases by the Combined Authority, which would bring about smarter working across the city region leading to a more joined up approach to managing and investment in the traffic signals infrastructure.
- 6.2 That Cabinet approve in principle to a joint West Yorkshire UTMC service and that Leeds City Council would become the host authority.
- 6.3 That Cabinet notes the creation of an organisational unit within Leeds City Council within their City Development Directorate for the West Yorkshire UTMC service, with the location for the service being based at the joint services building in Morley.
- 6.4 That Cabinet note the potential need to transfer staff via TUPE from Kirklees Council into the employment of Leeds City Council to work within the West Yorkshire UTMC service.
- 6.5 A further report (including full business case) will be presented to Cabinet for consideration once all legal, financial (business model and service level agreements) and operational implications have been completed.

7. Cabinet portfolio holder's recommendations

- 7.1 Cllr McBride - Cabinet portfolio holder and lead on Economy has expressed that consideration ought to be given to the shared UTMC service being operated by the West Yorkshire Combined Authority.

8. Contact officer

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9. Background Papers and History of Decisions

Not applicable.

10. Strategic Director responsible

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