

## **CABINET – 20 MARCH 2018**

# **AGENCY AGREEMENT WITH OXFORD CITY COUNCIL FOR HIGHWAY MAINTENANCE ON THE CLASSIFIED ROAD NETWORK IN OXFORD**

### **Report by Director for Infrastructure Delivery**

#### **Introduction**

1. The maintenance of classified roads in Oxford is currently the responsibility of, and overseen by, the County Council. The work is carried out predominantly by Skanska with support from City Council officers (funded by the county council) to perform the function of a Principal Officer for classified roads within the City.
2. The intention is to enter into an Agency Agreement with the City Council under Section 101, Local Government Act 1972 to enable them to undertake, and be responsible for, the routine and reactive maintenance of and undertake minor schemes on all classified urban roads within the City boundary. This would include trees and public rights of way and fits the Area Operations model being implemented across the remainder of the County.
3. This is separate to, but complements, the current section 42 Highways Act 1980 (s42) statutory arrangement between the County and City Councils. The City Council is exercising statutory powers to undertake the maintenance of all eligible non-classified urban roads within the City boundary and for which funding is provided to carry out this work as required by the statutory regime.

#### **Justification & scope**

4. The current responsibility for maintaining roads within the city is spread across the City and County Councils which creates inefficient use of resources due to poor co-ordination and holistic programming of works. In addition, due to the lack of a local works depot within the city, it hampers the ability for the County Council and its contractor Skanska to react quickly and effectively to the works required.
5. The County Council will be managing the agency agreement with the City Council through the Area Operations Hub. Escalation of issues and concerns to the County Council would be just the same as currently with the s42 arrangement.
7. The Agency Agreement aims to:
  - Make the provision of services simpler
  - Provide better value and more responsive service delivery for the public
  - Reduce duplication and improve customer experience

8. The longer-term approach of this agreement (alongside the s42) will enable the City Council to better manage its resources, invest in training and equipment, and as a result provide an improved service to residents.

### **Operation & monitoring**

9. A forward programme of planned schemes and work delivered within the last period will be reported to the Oxford Locality meeting by a senior manager responsible for this area. This locality would operate in the same way as others do, and have the same influence on the programme as others.
10. In addition to the funding allocated through these agreements, the City Council will still benefit from ad-hoc funding allocations such as the DfT pothole fund in the same way as occurs now.
11. As this is a new arrangement for both authorities, activities will be closely monitored through regular meetings of key officers. There is a real appetite on both sides to make this arrangement a success and show a clear performance improvement and financial benefit to residents.
12. There is agreement that County Council policies, specifications and best practice will be adhered to. This will include the City Council ensuring information is uploaded to County asset systems.
13. To ensure performance can be appropriately managed, performance and reporting metrics are being agreed. These can be overseen by the County Council Performance Scrutiny Committee as required.
14. The agency agreement will detail the escalation process should the need arise through poor performance or other reasons. This will include clauses for termination of the agreement by either party.

### **Financial and Staff Implications**

15. There are staffing implications for both authorities which include the TUPE of 3 staff to the City Council. These are being detailed in preparation for approval of the agency agreement.
16. The funding arrangements have been agreed and a schedule is attached in Annex 1 to this report.

### **Equalities Implications**

17. None

## **RECOMMENDATION**

18. The Cabinet is **RECOMMENDED** to:

- (a) Approve in principle the Agency Agreement with Oxford City Council for highway maintenance on the classified road network in Oxford subject to the proposed review and monitoring as set out in the report; and
- (b) Delegate authority to the Director for Infrastructure Delivery and the Director for Law & Governance in consultation with the Cabinet Member for Environment to give final approval to the Agency Agreement.

**OWEN JENKINS**

Director for Infrastructure Delivery

Background papers: Proposed Finance schedule

Contact Officer: Hugh Potter – Team Leader - Area Operations Hub  
December 2017

## Annex 1.

### Calculation of Funding

Section 42 delegates responsibility for maintenance of the following areas;

Minor Highway Works – Defect repairs, patching, and other minor works

Drainage – Gully emptying and gully defects

Verge Maintenance – Grass and hedge maintenance

Winter Maintenance – Gritting etc.

Aids to Movement and Disabled and Access Protection – Signing and Lining

Services – Staffing & Support

The existing s42 area represents 6% of the entire highway assets maintained by the council within Oxfordshire. Annual revenue budget allocations therefore typically reflect a 6% proportion of countywide highway budgets set aside for the direct delivery of the above activities.

The addition of the classified roads within Oxford would extend the percentage of highway network by a further 2.8%. Future revenue funding of this additional scope will therefore reflect a further 2.8% proportion of countywide budgets set aside for the above activities.

A proportion of capital funding will also be allocated for delivery by the City Council. This will 6% of surface treatment budgets for City s42 roads and 2.8% budget for classified roads. A further 18% of footway budgets (reflecting the proportions of county footways within the city) will be allocated for delivery by the City Council.

It is proposed that the funding calculation be applied based on highway classified length from a base year of 2017, but annually reviewed to adjust for the actual 3 year average recorded defect numbers and service costs. Proportional network lengths will be reviewed every 5 years.

### Revenue Calculation Formula

| Task                                      | Calculation  |
|---|--|
| Existing s42 revenue <sup>1</sup>         | 6% of annual relevant budget                           |
| <b>Agency Principal Roads</b>             |  |
| Gully Emptying                            | Cost per gully, actual number on city classified roads |
| Safety Defects (including Trees and PRoW) | 2.8% of budget or 3 year average activity in City      |
| Gully Defects                             | 2.8% of budget or 3 year average activity in City      |
| Signing and lining                        | 2.8%% of budget  |

<sup>1</sup> s42 allocation is separate to the Principal roads Agency Agreement

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|                                  |   |
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|                                  |   |
| Disabled & Access protection     | Existing budget transferred                           |
| Minor works                      | 2.8% of budget  |
| Winter maintenance               | 2.8% of budget or 3 year average activity in City     |
| Emergency OOH/ Incident response | The lesser of 2.8% of budget or 2017 budget baseline. |
| Staffing <sup>2</sup>            | Agreed actual cost City & TUPE staff                  |

**Capital Calculation Formula**

| <b>Activity</b>                              | <b>Calculation Methodology</b>   |
|--|--|
| S42  | 6% of annual relevant budget   |
| Surface Treatments                           | 2.8% of capital allocation for surface treatments  |
| Footways                                     | Proportionate share of the capital allocation for footway maintenance – 18% (less s42 Footways allocation) |
| Structural Maintenance (Classified highways) | Agreed on a case by case basis to reflect total highway asset need.  |

NB. Initial calculations show an indicative combined revenue and capital allocation of £2.84m. This may be subject to change as budgets are refined.

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<sup>2</sup> Includes office accommodation, vehicles, fuel etc.