

**Report of the Director of City Development**

**Report to Executive Board**

**Date: 17 October 2018**

**Subject: ESTABLISHMENT OF A JOINT URBAN TRAFFIC MANAGEMENT AND CONTROL SERVICE FOR WEST YORKSHIRE**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Guiseley and Rawdon, Otley and Yeadon, Horsforth, Kirkstall	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The purpose of this report is to provide information to the Council's Executive about the proposals for establishment of a combined Urban Traffic Management and Control service for West Yorkshire (West Yorkshire UTMC). It sets out the background to the development of the proposal, arrangements for its funding both in terms of initial development and future operation and requests endorsement to the strategic principle of a combined service and its hosting by Leeds City Council. Approval is sought to progress with arrangements for establishing the service including the initiation of formal processes and consultation with staff and Trade Unions pursuant to the Transfer of Undertakings (Protection of Employment ) Regulations 2006 (TUPE).
2. The establishment of an agreed West Yorkshire UTMC Service would benefit Leeds and the West Yorkshire authorities in delivering a more resilient and cost-efficient service using capital funding allocated from the West Yorkshire

Combined Authority's West Yorkshire-plus Transport Fund to facilitate the changes needs and new investment in the core UTMC system infrastructure.

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, coordination and maintenance under the governance of a Service Level Agreement. The Local Authority would however retain ownership of the traffic signal asset together with continuing responsibility for payment of associated energy costs.
4. The key benefits of the West Yorkshire UTMC Service would be:
  - a. Provision of a resilient, well resourced, UTMC service able to maximise the opportunities afforded by economies of scale and efficiency at a time of economic austerity;
  - b. Clearly demonstrating to the Department for Transport that the West Yorkshire authorities can work together;
  - c. Provision of a consistent UTMC service across West Yorkshire;
  - d. Provision of better management of congestion to unlock capacity over the highway network with greater capability to exploit and develop new and emerging technologies;
  - e. Improved journey time reliability for highway travel;
  - f. A more resilient service which has the capacity and ability to respond and better manage unplanned events and incidents, including the potential to expand operational hours;
  - g. Improvements to air quality; and
  - h. Increased employment and promotion of economic growth by the completion of transport schemes across West Yorkshire regardless of administrative boundaries.
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 principal has been reach to support the development of a joint service solution. The Executive Board is requested to approve the proposed creation of the West Yorkshire UTMC Service.

## Recommendations

6. Executive Board is requested to:

- i) Approve in principle the establishment of a joint West Yorkshire UTMC service subject to the outcome of the consideration of the Outline Business Case by the Combined Authority.
- ii) Approve in principle that should a joint West Yorkshire UTMC service be established Leeds City Council will become the host authority for service delivery.
- iii) Approve the development with the West Yorkshire Councils of a combined joint service operational resource budget (less traffic signal energy costs) for 2019/20 and agree in the annual budget round the contribution from the Leeds City Council annual budget for this service and note that arrangements for annual review will be captured in the proposed Service Level Agreement between the West Yorkshire councils and the City Council as the Host Authority.
- iv) Approve the proposed creation of an organisational unit within the City Development Directorate of the Council to host the West Yorkshire UTMC service and undertake the development, operation and maintenance of the traffic signal systems in West Yorkshire.
- v) Note the commencement of formal processes, including informing and consulting with Trade Union representatives leading up to the transfer of identified staff via TUPE from Bradford, Kirklees and Wakefield Councils into the employment of Leeds City Council to form the new functional West Yorkshire UTMC service.
- vi) Note the proposal that any potential West Yorkshire UTMC service may be based at the Joint Services building in Morley and that the capital costs for the establishment of the combined service will be met by the West Yorkshire Combined Authority subject to approval of the Business Case and completion of all necessary legal agreements.
- vii) Note the actions described in this report to progress the establishment of the West Yorkshire UTMC service and that once final agreement has been reached in relation to the operational and revenue financial arrangements for this service a further report be presented to the Executive Board for consideration.
- viii) Note that the Chief Officer Highways & Transportation will be responsible for further progression of this proposal in consultation with counterparts in the four West Yorkshire councils involved

## **1 Purpose of this report**

- 1.1 The purpose of this report is to update Executive Board about the proposals for establishment of a West Yorkshire Urban Traffic Management and Control (West Yorkshire UTMC) Service. It sets out the background to the development of the proposal, arrangements for its funding both in terms of initial development and future operation and requests endorsement to the principle of Leeds City Council hosting the proposed service and authority to progress with arrangements for establishing the service.

## **2 Background information**

- 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 West Yorkshire UTMC project comprises 3 distinct parts:
- a) The joining up of all districts UTC/UTMC computer systems into one comprehensive system located in the “cloud” (c£2.3m);
  - b) The undertaking of on-street improvements to UTC equipment facilities at key junctions on the West Yorkshire Key Route Network (c£4.0m); and
  - c) The re-organisation of the West Yorkshire UTMC services to provide a better day to day management and co-ordination across the network including key transport partners (public transport operators, emergency services, Highways England etc) through the consolidation of the four West Yorkshire UTC teams amalgamated under TUPE provisions (c£1.0m).
- 2.3 Discussions in relation to the principle of exploration of establishing a joint West Yorkshire – UTMC service were held with respective Council Leaders and Chief Executives as the development of an Expression of Interest for the project was shaped. These discussions were positive to the proposal and an in principle agreement was reached supporting the further exploration of this proposal.
- 2.4 The project was included by the West Yorkshire Combined Authority in the 2015 West Yorkshire-plus Transport Fund (WYTF) submission to government. Based on a £7.3m capital cost and journey time benefits for all modes valued at £28.5m the project produced a GVA/£ spent score of 3.9 which ranked it in the top 3 highest scoring schemes in the final programme list of 33 West Yorkshire agreed projects.
- 2.5 An Outline Business Case for elements (a) through (c) was considered by the Combined Authority on 5 April 2018 and approval was given to progress the project to Full Business Case (FBC). The FBC submission for elements (a) and (b) is currently anticipated to be submitted in September 2018 with a separate FBC submission for element (c) being 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 will continue to be produced.
- 2.7 Each Local Authority will have key staff in the areas of Legal, IT, HR, Finance, Procurement, Communications, 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 fuller discussion regarding arrangements for staff transfer under TUPE, pension implications etc. and consultation with trade unions once initial proposals have been agreed.
- 2.9 The planned implementation date for the West Yorkshire UTMC service is currently Autumn 2019; the exact date to be confirmed in due course once the detailed planning has advanced further; the outstanding capital resources have been released and agreements made in principle for the resource costs of the service

### **3 Main issues**

- 3.1 Traffic signals design and operation is a specialised area of traffic engineering and as a small niche sector the recruitment and retention of staff with the necessary skills is a key issue. As of December 2017, there were 27 staff across the region employed by the four UTMC 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 and skills shortages could be exacerbated in the near future as experienced staff retire.
- 3.2 The establishment of a West Yorkshire UTMC service would facilitate the creation of a “centre for excellence” within West Yorkshire that would enable positioning of a larger service with greater technical capacity towards the forefront of the sector, exploiting and adopting the latest changes in new and emerging traffic management technologies. In particular the refocussed capacity of a combined service that allows the potential of new and emerging systems and technologies will be a key priority. This will include progressing towards the early adoption of new adaptive traffic control and integrated systems and the development of new approaches to data gathering and the use of “big data” which potentially could in the future have spin off benefits for service areas out-with the immediate traffic system and control arena.
- 3.3 The current proposal for the West Yorkshire UTMC Service would see the service led by a senior manager with a staffing structure 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 in conjunction with the partner councils and are drawing on research and best practice identified from the sector across the UK.
- 3.4 Implementation of the West Yorkshire UTMC Service proposal would see staff from Bradford, Wakefield and Kirklees transferred into the employment of Leeds

City Council; the proposal does not affect any staff in Calderdale MBC as their UTMC service is currently provided by Leeds City Council. Any 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. Bradford, Kirklees and Wakefield council employees who could be TUPE transferred to Leeds City Council would retain their existing West Yorkshire Pension Fund arrangements and their benefits would be unaffected by the transfer.

- 3.5 There has been informal engagement with the affected staff and trade unions by each local authority throughout the development of the Outline Business Case submission. Unions have been approached at a regional level to advise of the intention to explore creation of a joint West Yorkshire UTMC Service.
- 3.6 It is anticipated that under the proposed arrangements Leeds City Council will be employing around 36 full time equivalent (FTE) staff to discharge this function. This will include both existing Leeds employees and approximately 18 staff transferred from the other 3 West Yorkshire local authorities. This will include employing a senior manager for the function.
- 3.7 Subject to securing the Outline Business Case capital funding later this year and completing all associated legal and operational finance 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 projects as part of a wider project team. Appropriate arrangements will be put in place to ensure that they have adequate resources.
- 3.8 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 is being promoted as the preferred approach to governance of the joint service.
- 3.9 The Full Business Case submission to the Combined Authority for the West Yorkshire UTMC Service is currently anticipated to be submitted in December 2018. Approval of this submission will release the requisite capital funds necessary for the investment required to establish the service and configuration of the Joint Services building at Morley.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The senior elected members and officers from the five West Yorkshire authorities have been consulted and have given their in principle support to the proposals. Endorsement to progress the further development of the proposals was given by the Leaders and Chief Executives at their respective joint meetings in April 2018. The West Yorkshire Combined Authority support the proposal and has given in principal support subject to the proposals being confirmed.
- 4.1.2 The staff expected to be affected by the creation of a West Yorkshire UTMC Service have been informally consulted within each authority and the Trade Unions have been notified of the proposals.
- 4.1.3 The project development and detailed staff engagement project is being supported by the relevant senior HR and financial officers within each authority on an ongoing basis. With the relevant Leeds HR Head of Service taking a lead on the overall engagement with staff across the authorities.
- 4.1.4 Joint meetings have been held and staff have had the opportunity to visit the proposed base location. Formal consultations will be commenced subject to the approval of the proposals by each of the Council's involved.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening has been completed and given that this is an organisational change for staff in four Local Authorities with relocation issues, an Equality Impact Assessment will be undertaken to ensure impact on the staff is considered and identified actions are managed. The screening document is attached as an Appendix.
- 4.2.2 Due consideration has been given in writing this report to the Council's duties under Section 149 of the Equality Act 2010.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 These proposals are consistent with the ongoing development and planning of the Leeds UTMC system and will provide for the increased resilience and operational capacity of more sustainable and advance system for the whole of West Yorkshire. It is therefore considered that creating a joint service for the whole of West Yorkshire which embraces the joint arrangements that already exist between Leeds and Calderdale will play an important future role in achieving the Best Council city priority on 21<sup>st</sup> century infrastructure and Best Council Plan 2018/19 – 2020/21.
- 4.3.2 The proposals align with the objective of the Leeds Interim Transport Strategy and the West Yorkshire Transport Strategy..

### **4.4 Resources and value for money**

- 4.4.1 In July 2016 when the establishment of a joint West Yorkshire UTMC service was first considered by the Chief Executives it was proposed that the value of each district's 2016/17 revenue budget at that time would form the basis for calculating the base budget on which the new service could be based. In view of the time that has now elapsed the Project Board has recommended that the 2018/19 base

budgets for each authority should now be used for this purpose, pending confirmation of the 2019/20 budget round.

4.4.2 The final base expenditure budget for the service once established will also take full account of anticipated income arising from the UTMC activities associated with the respective authorities' capital programmes including recharging of staff time and associated costs and charges for temporary works at traffic signals to facilitate works by third parties.

4.4.3 A detailed business plan is being prepared on behalf of the Project Board by Wakefield MDC which includes establishing the base budget expenditure requirements and future assumptions on income accruing to the proposed service. Once established the service budget will be subject to review and agreement between the partner Councils and Leeds City Council as part of the annual budget round.

#### 4.5 **Legal Implications, Access to Information and Call In**

4.5.1 Responsibility for the governance of this project rests with the Calderdale MBC as the jointly nominated Project Executive and project board chair. The wider UTC project is being funded under the West Yorkshire plus Transport Fund funding and project approvals are controlled under the West Yorkshire Combined Authority's Assurance Framework. A rigorous project management system is in place for all West Yorkshire+ Transport Fund projects based around the OGC PRINCE2 (Projects in Controlled Environments) and MSP (Managing Successful Programmes) methodologies.

4.5.2 Subject to approval of the Outline Business Case submission the proposals contained within this report would involve a transfer of staff from Bradford, Kirklees and Wakefield councils to Leeds City Council. It is considered that the Transfer of Undertaking (Protection of Employment) Regulations 2006 ("TUPE") would apply to such a transfer. If collective redundancies are envisaged, informing and consultation duties under Trade Union and Labour Regulations (Consolidation) Act 1992 may also apply. The Council should also bear in mind any relevant collective agreement, policy and/or procedure. It is important to inform the recognised trade unions long enough before the proposed transfer of staff to enable effective consultation with representatives of any affected employees to take place.

4.5.3 Executive Board has the power to approve the Key Decisions recommended in this report.

#### 4.6 **Risk Management**

4.6.1 As part of the management of this project a Project Board has been established comprising representatives of each of the constituent districts and representatives of the Combined Authority.

- 4.6.2 As part of the Assurance Process a detailed risk assessment has been undertaken for each element of the project (a) through to (c). These risks are reviewed monthly by the Project Board and corrective actions directed where necessary.

## **5 Conclusions**

- 5.1 The proposal for establishing a combined UTMC service are expected to provide a stronger, more resilient and capable technical service for the operation, management and development of traffic signals and informatics across West Yorkshire. In particular looking forwards it will be important in helping to enhance and extend the present capabilities for systems development and the application of new technologies, including the emerging field of dynamic and adaptive traffic control systems. Work to prepare the joint service in organisational, property, financial and human resources is ongoing alongside the preparation of the necessary business cases to confirm the final allocations of funding identified in the West Yorkshire Plus Transport Fund with the Combined Authority.

## **6 Recommendations**

- 6.1 Executive Board is requested to:

- i) Approve in principle the establishment of a joint West Yorkshire UTMC service subject to the outcome of the consideration of the Outline Business Case by the Combined Authority.
- ii) Approve in principle that should a joint West Yorkshire UTMC service be established Leeds City Council will become the host authority for service delivery.
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Combined Authority subject to approval of the Business Case and completion of all necessary legal agreements.

- vii) Note the actions described in this report to progress the establishment of the West Yorkshire UTMC service and that once final agreement has been reached in relation to the operational and revenue financial arrangements for this service a further report be presented to the Executive Board for consideration.
- viii) Note that the Chief Officer Highways & Transportation will be responsible for further progression of this proposal in consultation with counterparts in the four West Yorkshire councils involved.

## **7 Background documents<sup>1</sup>**

7.1 None.

## **8 Appendices**

8.1 Appendix A - Equality, Diversity, Cohesion and Integration Screening.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.