

Report for: ACTION



Contains Confidential or Exempt Information	No - Part I
Title	Road and Streetworks Permit Scheme
Responsible Officer(s)	Simon Fletcher, Strategic Director of Operations, 01628 796484
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Member reporting	Cllr Rayner, Lead Member for Highways & Transport
For Consideration By	Cabinet
Date to be Considered	31 March 2016
Implementation Date if Not Called In	Immediately
Affected Wards	All
Key Words	Streetworks; permit; roads; utility companies

REPORT SUMMARY

This report is designed to give the Council more powers to manage utilities damaging and disrupting our highway network.

Residents will benefit from less disruption as roadworks should be completed more quickly; at the least disruptive times with high quality first time permanent reinstatements.

1. This report provides an update on the potential introduction of a Road and Streetworks Permit Scheme which supports the manifesto commitment '*...Work with utility companies to improve the quality of road and pavement repairs...*'.
2. The report seeks approval in principle to this positive initiative and to consult with utility companies and stakeholders on the proposed scheme (attached as Appendix A).
3. The report recommends that Cabinet:
 - approve in principle the development of a Roads and Streetworks Permit scheme and endorse the approach being taken.
 - approves commencement of the consultation process with utility companies and other stakeholders.
 - approves a budget of £120k in 2016/17 for scheme development; consultation and implementation.
 - receives a report in September 2016 to consider the outcome of the

consultation and business case.

4. The financial implications of this report are:

- scheme development; consultation and implementation costs of £120k.
- development and implementation costs are recoverable through permit fees to be charged following implementation.

5. Additional points to note are:

- a primary benefit of a permit scheme is the increased capacity to coordinate and control activities on the highway minimising the impact on residents, business and visitors.
- implementation of a permit scheme fully supports delivery of the manifesto commitment '*...to work with utility companies to improve the quality of road and pavement repairs...*'
- scheme to 'go live' in November 2016, subject to approval by Cabinet in September 2016

- the permit scheme does not cover emergency situations

If recommendations are adopted, how will residents benefit?	
Benefits to residents and reasons why they will benefit.	Dates by which they can expect to notice a difference.
Residents will benefit from improved journey times, reduced congestion and improved condition of the road infrastructure.	With effect from the implementation of the Road and Streetworks Permit Scheme from November 2016.

1. DETAILS OF RECOMMENDATIONS

RECOMMENDED: That Cabinet:

- i) **Approve in principle the development of a Roads and Streetworks Permit scheme and endorses the approach being taken.**
- ii) **Approves commencement of the consultation process with utility companies and other stakeholders.**
- iii) **Approves a budget of £120,000 in 2016/17 for scheme development; consultation and implementation.**
- iv) **Receives a report in September 2016 to consider the outcome of the consultation.**

2. REASON FOR DECISION AND OPTIONS CONSIDERED

Background

2.1 The primary objective of the permit scheme is to improve the strategic and operational management of the highway network through better planning, scheduling and management of activities to minimise disruption to any road user and to improve the quality of repairs undertaken by utility companies, including first time permanent reinstatements.

2.2 Key scheme objectives and benefits:

- reduced disruption on the road network
- improvements to overall network management

- reduction in delays to the travelling public
- reduction in costs to businesses caused by delays
- creating a safer environment
- reduced carbon emissions
- Improve quality of repairs and focus on first time permanent reinstatements
- coordinate utility works on our highway network

2.3 Scheme objectives will be delivered by improving performance in the following areas:

- enhanced coordination and cooperation
- encouragement of partnership working between the Royal Borough, scheme promoters and key stakeholders.
- provision of more accurate and timely information to be communicated between all stakeholders including residents, visitors and businesses
- promotion and encouragement of collaborative working
- improvement in timing and duration of activities particularly in relation to the busiest streets within the network
- promotion of dialogue with regard to the way activities are to be carried out
- enhanced programming of activities and better forward planning by all works promoters
- give us more powers to fine utility companies that break the rules

Additionally, financial penalties may be imposed for works promoters who do not complete works on time; for working without a permit or who breach the conditions of a permit (for example: working at peak times on main routes).

2.4 With respect to improving the quality of road and pavement repairs, the current system allows works promoters to undertake a temporary reinstatement and to return within a maximum period of 2 years to undertake a permanent and high quality reinstatement. The proposed permit scheme will focus on utilities undertaking first time permanent repairs.

2.5 With consideration to the benefits and improvements which can be delivered by developing and implementing a permit scheme, this approach is recommended from a quality perspective.

2.6 Balanced against the quality improvements it is essential that the business case is financially viable. A detailed business case will be developed for consideration in parallel with the consultation on the proposed permit scheme.

This business case will be based upon:

- Chargeable permits on all roads with a sliding scale of charges depending on location and nature of the works.
- One system in operation across the borough with full permit powers (controls to force coordination, time and duration of works).
- Scheme targeted to reduce the number of works on the road network seeking to reduce disruption.
- Full cost recovery in relation to statutory undertakers permits.
- Maximum control to coordinate works and ensure robust communications to road users.

- 2.7 It is recommended that the principle of developing and adopting a permit scheme be endorsed to deliver improvement to residents, visitors and business in a financially efficient manner.
- 2.8 The first stage of this process is consulting with utility companies and key stakeholders.

This will be undertaken in parallel with development of the business case which will be reported to Cabinet in September 2016 for consideration.

Subject to Cabinet approval, implementation in November 2016 is targeted or earlier subject to completing formal notification and communication.

- 2.9 During scheme development, and post-implementation, a proactive communication plan will be delivered which engages with residents and business to ensure that the benefits of the permit scheme are fully realised and delivered. This will include actively encouraging reporting of issues / concerns

Options

Option	Comments
(a) develop and implement a road and streetworks permit scheme subject to the outcome of the consultation and full business case.	(a) This option is recommended . A permit scheme would increase the Council's ability to coordinate and control activities on the highway therefore minimising the congestion and improving the condition of road infrastructure and give us more powers to fine utility companies that break the rules
(b) continue the existing approach based on a notice system under the New Roads and Streetworks Act	(b) This option is not recommended. The current situation would remain and opportunities to improve control and co-ordination of works benefitting residents, business and visitors would not be realised
(c) Create a shared service to deliver a permit scheme.	(c) This option is not recommended at this time It is recommended that this option be explored in future as part of developing the longer-term business case
(d) Outsource and create a managed service.	(d) This option is not recommended at this time Control over roadworks and financial viability may be reduced. This option should be considered following development; consultation and implementation as a longer term solution, potentially bundled with other services

3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be deliver by
Implement Road and Streetworks	Not achieved	30 November	31 October 2016	1 October 2016	30 November

Permit scheme by:		2016			2016
Over-running road works reduced*	< 5%	5-10%	11-20%	> 20%	30 November 2017
Complaints relating to the quality of utility company repairs reduced*	< 5%	5-10%	11-20%	> 20%	30 November 2017

* BASELINE TO BE ESTABLISHED

4. FINANCIAL DETAILS

4.1 Revenue Funding

	2015/16	2016/17	2017/18
	Revenue £'000	Revenue £'000	Revenue £'000
Addition	£0	£0	£0
Reduction	£0	£0	£0

4.2 Capital Funding

	2015/16	2016/17	2017/18
	Capital £'000	Capital £'000	Capital £'000
Addition	£0	£120	£0
Reduction	£0	£0	£0

4.3 Costs associated with the development; consultation and implementation of the permit scheme are projected at £120,000 which includes specialist support for scheme development and implementation; system software and hardware; training and communications

4.4 All costs associated with operating a scheme are recoverable through permit fees and charges over a 3-year period which include:

* Specialist Consultants	50K
* Staffing	20K
* Finance / HR	10K
* ICT System	40K
TOTAL	£120K

5. LEGAL

Part 3 of the Traffic Management Act 2004 (TMA) and associated regulations (2007) allow a highway authority to introduce a permit scheme to deliver their duty to coordinate works of all kinds on the highway including temporary occupation and use of the highway by Promoters e.g. utility companies.

6. VALUE FOR MONEY

Efficient movement on the Boroughs road network is essential for creating a successful local economy. As the scheme is projected to be cost neutral it optimises

value for money by delivering financial and non financial benefits to residents, businesses and visitors to the Borough. We hope to increase income by fining utility companies that break the rules.

7. SUSTAINABILITY IMPACT APPRAISAL

A permit scheme will reduce the levels of congestion and will support and promote sustainable transport and integrate with air quality policies.

8. RISK MANAGEMENT

Risk	Uncontrolled Risk	Controls	Controlled Risk
Financial projections embedded in the full business case with respect to income / expenditure are not achieved	High	Use of specialist consultants and sufficient internal scrutiny arrangements in place via use of corporate project management tools.	Low
Failure to comply with the legislative requirements or delays or prohibits scheme implementation, thereby benefits not realised	Medium	Use of specialist consultants and sufficient internal scrutiny arrangements in place via use of corporate project management tools.	Low
Utility companies will be required to comply with the scheme may challenge the validity of the scheme if it has not been extensively assessed and shown to be compliant.	High	External consultancy endorsement of the proposed scheme prior to statutory consultation with utility companies.	Low
System requirements not in place to enable delivery of permit scheme	High	Project team established with specialist ICT resource	Low

9. LINKS TO STRATEGIC OBJECTIVES

The recommendations of this report and the anticipated outcomes are wholly consistent with the Borough's strategic objectives, in particular the following:

Residents First

- Improve the Environment, Economy and Transport
- Work for safer and stronger communities

Value for Money

- Deliver Economic Services
- Improve the use of technology
- Invest in the future

Delivering Together

- Deliver Effective Services
- Strengthen Partnerships

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

An improved highway network benefits all road users.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS:

The detailed business plan will consider the levels of resource required to operate the permit scheme together with the most efficient and effective business model (for example: in-house; shared service or managed service).

12. PROPERTY AND ASSETS

The approach set out within this report seeks to improve the Highway Network and maintain the highway asset in accordance with good practice.

13. ANY OTHER IMPLICATIONS:

N/A

14. CONSULTATION

The report will be considered at the Highways, Transport & Environment Overview & Scrutiny Panel meeting on 24 March 2016 with comments reported to Cabinet for consideration.

The draft scheme, attached as Appendix A, will form the basis of consultation with utility companies and key stakeholders. The outcome of the consultation will be reported to Cabinet in September 2016 for consideration.

15. TIMETABLE FOR IMPLEMENTATION

Jan 2015 (Complete)	Permit Scheme Project commencement including engaging services of specialist consultants.
Jan to March 2016 (In Progress)	Develop draft scheme for consultation (Appendix A)
Jan to May 2016 (In Progress)	Business case
24 March 2016	Cabinet report
April to May 2016	Engagement with Statutory Undertakers and other interested parties
April to July 2016	Commence formal consultation (12 weeks duration)
July 2016	Review consultee comments and prepare report including any modifications to permit scheme documents
September 2016	Cabinet report (Consultation outcome and business case)
October 2016	Formal notification to consultees that permit order has been issued (Subject to Cabinet approval)
30 November 2016	Permit scheme goes live

16. APPENDICES

Appendix A – Draft Permit Scheme – *available electronically*

Appendix B – Case Study (Brighton & Hove City Council)

17. BACKGROUND INFORMATION

17.1 It is recommended that the draft scheme, attached as Appendix A, be adopted as the basis of consultation which will be undertaken in parallel with the development of a full business case.

17.2 The full business case and the consultation outcome will be reported to Cabinet in September 2016 for consideration. However, set out below are a series of statements for information at this stage:

- A permit scheme allows the Council, as a Permit Authority, to charge Statutory Undertakers (utility companies) a fee for processing a permit application or permit-variation
- A permit scheme cannot be used to generate surplus income but will be self-funding, including the recovery of set up costs
- Maximum charges are set by statute (indicative charges are included in Appendix B – Brighton and Hove City Council case study)
- It is anticipated that RBWM would process around 14,000 utility permits each year
- The Brighton & Hove City Council case study, attached as Appendix B, offers contextual and background information with respect to volume of permits and indicative charges.
- An initial outline business case has been prepared which will be developed into a full business case and reported to Cabinet for consideration in September 2016 (subject to approval)

18. Consultation (Mandatory)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr Burbage	Leader of the Council	08/03/16	11/03/16	Report approved
Cllr Rayner	Lead Member for Highways & Transport	29/02/16	08/03/16	Comments included throughout report which focus on increased control of utility companies
Simon Fletcher	Strategic Director of Operations	26/02/16	29/02/16	Comments with respect to Appendix A / addition of case study
Michael Llewelyn	Cabinet Policy Office	26/02/16	29/02/16	Comments regarding timescales / addition of case study

Shared Legal Services (Contact to be advised)	Shared Legal Solutions / Monitoring Officer	26/02/16	08/03/16	Report approved with no additional comments
Mark Lampard	Finance Partner	26/02/16	08/03/16	Comments added with respect to business case and indicative permit volumes and charges
Tony Robinson	Streetcare Service	26/02/15	04/03/16	Appendix B added

REPORT HISTORY

Decision type:	Urgency item?
For information	No

Report author	Job title	Full contact no:
Ben Smith	Head of Highways & Transport	01628 796147

Appendix B: Brighton & Hove City Council - Permit Scheme (Case Study):

During the development stage of this project the Royal Borough has worked in partnership with other local authorities, including Brighton & Hove City Council, to share best practice.

Brighton & Hove City Council (BHCC) is broadly comparable in terms of the size and nature of the highway network and are seen as a useful comparative partner.

This case study sets out the key points from their scheme as contextual, background information only.

The stated main benefit of introducing a permit scheme is the increased capacity to coordinate and control activities on the highway and therefore minimise the impact of badly controlled works.

The BHCC scheme took around 18 months to deliver. However, as the process is now more familiar to subsequent authorities it is anticipated that the time period from for scheme delivery can be reduced.

Based on the previous 3-year average, BHCC estimated processing approximately 16,000 permits annually with approximately 850 permit variations.

Permit costs differ dependant upon the highway category and activity type and are set at the maximum permissible level, generating projected annual income of approximately £800,000

Table 1 offers an indication of permit numbers; costs and breakdown by activity type which was submitted to the Department of Transport (DfT)* as part of the overall business case (* DfT was the approving body at the time of scheme development)

The business case submitted to the DfT proposed the equivalent of 15 FTEs managing and administering the permit scheme at an approximate cost of £580,000.

Additional operating costs (for example: management system) of approximately £207,000 were projected.

Therefore, the total annual scheme costs were £787,000

The BHCC business case projects a decrease in permit applications; income and operating costs in early years as utility companies manage their noticing activities more proactively.

Table 1: BHCC Business Case Cost Matrix Data

Category 0-2 and Traffic Sensitive Streets					
Activity Type	Estimated No. of Permits	Cost per Permit	Estimated No. of Permit Variations	Cost per Permit Variation	Total Cost per Activity Type
Provisional Advance Authorisation	42	£158	N/A	N/A	£6,645
Major	41	£316	8	£45	£13,254
Standard	241	£182	24	£45	£44,949
Minor	1742	£88	87	£45	£157,960
Immediate	526	£63	26	£45	£34,363
Sub Total	2592	N/A	146	£45	£257,172

Category 3-4 Non-Traffic Sensitive Streets					
Activity Type	Estimated No. of Permits	Cost per Permit	Estimated No. of Permit Variations	Cost per Permit Variation	Total Cost per Activity Type
Provisional Advance Authorisation	122	£90	N/A	N/A	£10,970
Major	115	£157	23	£35	£18,937
Standard	740	£71	74	£35	£55,528
Minor	10384	£34	519	£35	£374,754
Immediate	2010	£40	101	£35	£83,261
Sub Total	13372	N/A	717	£35	£543,451