

Executive

14 January 2021

Report of the Corporate Director of Housing, Economy and Place
Portfolio of the Executive Member for Transport

Street Works – Changing from noticing to a permitting scheme

Summary

1. The aim of this report is to seek approval from the Executive to introduce a permit scheme to govern all utility and highway works activities within City of York Council's highway network. The introduction of a permit scheme will:
 - a. Support a more pro-active approach to managing street and road works, including the ability to refuse applications;
 - b. Reduce disruption and delays on the road network;
 - c. Provide additional funding to support the Street Works function, improving street and road works coordination and safety (as the authority will be able to charge utilities to cover the costs of permits, although authorities may not use their permit schemes to generate surplus revenue);
 - d. Enable City of York Council to comply with the Department for Transport's repeated requests that all highway authorities in England move to a permit scheme (letters to City of York Council were dated November 2020 and July 2018).

Recommendations

2. This report recommends the adoption of the permit scheme presented (Option A). Executive are asked to:

Approve the proposed permit scheme and fee levels and its implementation (the Scheme is provided in Annex A, fee levels in Annex B and the proposed team structure in Annex F) and delegate authority to the Corporate Director for Economy and

Place to implement future changes to the scheme and associated fees (in consultation with the s151 Officer and the Director of Governance or her delegated officers)

Reason:

- To improve CYC's ability to manage applications to work on its road network, including the ability to refuse applications, enabling the Council to better meet its Network Management Duty;
- To reduce disruption on the road network and delays for all road users; and
- To encourage a greater emphasis on safety on street and road works sites through an enhanced site inspection regime.

Background

3. The aim of this report is to seek approval from the Executive to introduce a permit scheme to govern all utility and highway works activities within City of York Council's (CYC) highway network.
4. This report follows feasibility work undertaken in 2019 and a statutory consultation on a proposed permit scheme, in compliance with Regulation 3 of the Traffic Management Permit Scheme (England) Regulations 2007, conducted, which started in August 2020 and closed on 15th October 2020.
5. This report presents an assessment of City of York Council's options to manage street and road works and makes recommendations for the introduction of a permit scheme to be considered by City of York Council's Executive in January 2021.
6. If a decision is taken to introduce a permit scheme, the Street Works team will aim to implement this change by April 2021.
7. The implementation of a permit scheme will:
 - Support a more pro-active approach to managing street and road works, by enabling the authority to better manage applications to work on its road network, including the ability to refuse applications where required;
 - Reduce disruption and delays on the road network;

- Provide additional funding to support the Street Works function, improving street and road works coordination and safety;
- Enable City of York Council to respond positively to the letters from the Transport Minister for Roads, Buses and Places, dated November 2020 and the previous letter from the Secretary of State for Transport dated July 2018. Both letters sought the implementation of permit schemes by all highway authorities in England. In November 2020, the DfT indicated that 49 of the local highway authorities in England were now operating or intending to start the operation of a permit scheme (there are 153 local highway authorities in England¹).

Consultation

8. The draft permit scheme document was subject to a public consultation exercise between August and October 2020. Statutory consultees were contacted and provided with the draft scheme for comments, in compliance with Regulation 3 of the Traffic Management Permit Scheme (England) Regulations 2007. A summary of this consultation is included in Annex C.

Internal CYC consultation was undertaken with the Corporate Finance Team, IT and Business Intelligence, the Highway Asset Management and Transport Major Project teams.

Options

9. Options presented to Executive are:
 - **Option A** - Approve the proposed permit scheme and fee levels and its implementation (the Scheme is provided in Annex A, fee levels in Annex B and the proposed team structure in Annex F) and delegate authority to the Corporate Director for Economy and Place to implement future changes to the scheme and associated fees (in consultation with the s151 Officer and the Director of Governance or her delegated officers);
 - **Option B** - Ask officers to develop a different scheme to be taken back to consultation and through the decision process; or
 - **Option C** - Stop any further work on a permit scheme and remain a noticing authority.

¹ Source: <https://publications.parliament.uk/pa/cm201719/cmselect/cmtrans/1486/full-report.html>

Analysis

10. What are the key differences between the current system and a permit scheme?

CYC currently funds the management of street works coordination (a duty section 59 of the New Roads and Streetworks Act 1991) from internal budgets, including income generated from penalties and fees recovered mainly from utility companies and their contractors.

Under a permit scheme, work promoters are charged a reasonable fee and this is calculated to recover staff and overhead costs associated with the management of the permit scheme, up to a maximum level set by the Department for Transport (DfT).

Authorities not implementing a permitting scheme are still required to maintain a register of these activities and have a legal duty to coordinate (the Network Management Duty), but are not able to charge for the costs of providing this service.

Permit schemes require both statutory undertakers (undertaking street works) and the authority's own direct highway services (undertaking road works) to apply to book road space for their activities rather than notify the authority when they want to work.

Permit applications can be refused, meaning that the process is more proactive than under the notification system (under which the authority can ask for changes and impose conditions but not refuse the works).

Typically, permit schemes can be expected to deliver the following benefits:

- Improved works coordination: permits would better support CYC to meet its Network Management Duty by enabling the authority to better manage applications to work on its road network, including the ability to refuse applications where required;
- Reduced disruption on the road network and delays for road users: permits would support CYC in minimising disruption and inconvenience across the network for all road users;
- Permit income: fees and charges received from permits can go directly to the operation of the scheme (e.g. to cover staff, IT, monitoring, coordination and training costs). This will enable

CYC to recruit additional Street Works team members to better coordinate and conduct more inspections. These costs are not currently recovered by CYC;

- Safety on street and road works sites: permits encourage a greater emphasis on safety through an enhanced site inspection regime (and the ability to fund additional Street Works staff). Site safety improvements would benefit site operatives and all road users, with a special emphasis on the more vulnerable.

11. What is included in the proposed permit scheme?

The proposed permit scheme (see Annex A) will operate within the geographical area encompassed by the City of York boundary, including all streets maintained by, or on behalf of, the Authority.

The scheme's primary objectives are:

- Increase the efficient running of the highway network through proactive management of activities on the highway;
- Improve the quality and timeliness of information received from all promoters;
- Encourage a proactive approach to planning and undertaking of works on the highway;
- Protect the structure of the street and the integrity of apparatus in it;
- Ensure the safety of those using the street and those working on activities that fall under the scheme, with particular emphasis on people with disabilities; and
- Ensure parity of treatment for all promoters.

Permit fees (see Annex B) have been set by taking the following factors into consideration:

- Levels to be proportionate to the significance of the streets where works are planned and the duration of the planned works;
- Levels to reflect the likely amount of work required for the Authority to effectively coordinate and manage activities;
- Ability to waive permit fees where appropriate and to reduce the amount charged where the impact of the planned works has been reduced by the promoter.

Permit fees will be waived during the first month of the scheme to enable the team to work closely with promoters through the transition period.

12. Option analysis

Option A – Approval of the proposed scheme

- **Pros:** The proposed scheme has been developed using models and guidance provided by the DfT. Scheme development work has included data analysis, cost benefit analysis, benchmarking exercises with other local authorities, and a statutory consultation process. The scheme complies with existing legislation and statutory guidance and can therefore be adopted by the authority and come into force once the authority makes the required order. This will enable the authority to provide a positive response to the most recent letter from Transport Minister for Roads, Buses and Places. It will also provide additional income to fund the Street Works team's permit related activities and bring CYC in line with schemes already in place in neighbouring authorities.
- **Cons:** The introduction of a permit scheme will result in additional costs for statutory undertakers and their contractors working in York. The authority's own works (road works) will also be subject to the permit scheme, resulting in additional work for the Council's own projects and maintenance teams, as the requirement for parity of treatment is essential to the permit approval process and the operation of a permit scheme.

Option B – Further work to develop a different scheme

- **Pros:** It would be possible to develop a different scheme, with options including a change in fee levels (within the national maximum set by the DfT), a change in streets covered by the permit scheme, or a stronger differentiation in charges for different types of streets, potentially following the request made by some undertakers for works in less significant streets to be permitted free of charge.
- **Cons:** If charges were to be increased, this would require further analysis to ensure that income from the scheme does not exceed the total allowable costs prescribed in the permit regulations. If fees were to be reduced or works on some

streets were to be permitted free of charge, additional budget would need to be provided by CYC to fund staff requirements for the Street Works team or the team would need to be smaller and provide a lower level of service. Changes would need to be subject to a new statutory consultation process, delaying the implementation of a scheme by several months.

Option C – Remain a noticing authority

- Pros: Lower costs for statutory undertakers who wouldn't have to pay permit fees. No (or very limited) changes required to existing processes and Street Works team.
- Cons: The authority would have responded negatively to the most recent letter from Transport Minister for Roads, Buses and Places. The Secretary of State has the power to direct an authority to prepare and introduce a permit scheme and this might be imposed on York. No additional income to fund the Street Works team's activities and CYC would remain an outlier amongst neighbouring authorities.

Council Plan

13. Although the management of street and road works is not identified as a priority in the Council Plan 2019-2023, a failure to adopt best practice in street and road works management will have a negative impact on a range of Council Plan priorities including:
 - 1) "A Greener and Cleaner City";
 - 2) "Getting Around Sustainably";
 - 3) "Good Health and Wellbeing";
 - 4) "Open and Effective Council"; and
 - 5) The City wide outcome of "Supporting a good quality of life for everybody".

Implications

14. Implications identified are listed below.

- **Financial** - Additional spending is anticipated to increase staff resources for the Street Works team (as shown in Annex F). This should however be balanced by the increased income from the permit scheme. The proposal includes a transition month where permits will not be charged for during the first calendar month of the scheme to encourage cooperation between the authority and the undertakers and address any teething issues collaboratively.

Financial analysis of the proposed scheme indicates the following:

- Anticipated annual cost of running the scheme: between £400,000 and £450,000 (excluding the authority's own road works and activities which are not permit related); and
- Estimated annual income from the permit scheme: between £400,000 and £450,000. This does not include revenue generated under NRSWA such as charges for works overrunning, penalty notices, other licences and other activities which are not permit related.

The TMA allows charging for the work resulting in the issuing of permits (and variations to permits), with maximum fee levels set nationally. However, permit authorities may not use their permit schemes to generate surplus revenue, only to cover costs.

- **Human Resources (HR)** - Existing job descriptions to be updated and new job descriptions to be created. Updated and new JDs to be graded. Recruitment to take place, initially using some WWY or temporary contracts to ensure that the permit scheme brings sufficient revenue to support the proposed increase in staff number.
- **Equalities** - The move to permits and associated increase in staff resource should have a positive impact on access for all road users, including those with reduced mobility.

- **Legal** - The scheme will come into force through the powers conferred by Section 33A (2) of the TMA by an Order made by the Authority.
- **Crime and Disorder** - There are no known crime and disorder implications.
- **Information Technology (IT)** - The move to permits within existing software (Street Manager and Yotta Mayrise) will be managed with the suppliers (Yotta) as part of the existing contract. The need to update the Local Street Gazetteer has been raised with the relevant teams and resources might be required to support this process (also linked to the highway asset management team's move to a new Asset Management System).
- **Property** - There are no known property implications.
- **Other** - Highway Asset Management and Transport Major Projects teams will be required to submit permits for road works (where permitting criteria are met). This has been discussed with the relevant teams and included in the implementation plan.

Risk Management

15. The Street Works team will aim to implement the permit scheme by April 2021 (if approved). There is a risk that this implementation could be delayed if there are delays in critical tasks to prepare for the scheme such as recruitment and training and/or street gazetteer and supporting IT systems updates.

Contact Details

Author:

Helene Vergereau
Traffic and Highway
Development Manager
Transport Department
Tel No. 01904 552077

Chief Officer Responsible for the report:

James Gilchrist
Assistant Director for Transport,
Highways & Environment

Report
Approved



Date 6 January
2021

Specialist Implications Officer(s) List information for all

Financial Implications

Patrick Looker

Finance Manager

Tel No.551633

Legal Implications

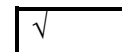
Cathryn Moore

Legal Manager – Projects

Tel No. 552487

Wards Affected:

All



For further information please contact the author of the report

Background Papers:

Report to the Executive Member for Transport and Planning 15
November 2018.

Letter from the Secretary of State for Transport to City of York Council,
dated 18 July 2018

CYC Proposed Permit Scheme, Draft V1.0 (for consultation)

Annexes

Annex A – Draft permit scheme for approval

Annex B – Draft fee levels for approval

Annex C – Statutory consultation summary

Annex D – Permit scheme checklist

Annex E – Cost Benefit Analysis summary

Annex F – Proposed team structure

Annex G – Implementation tasks and programme