

## Cabinet Meeting on Wednesday 18 March 2020

### Keeping Staffordshire Moving – Highway Permit Scheme



**Cllr Helen Fisher, Cabinet Member for Highways and Transport said,**

“We have bold, ambitious plans for Staffordshire, and it is hugely important to local communities, businesses and transport services that we ‘Keep Staffordshire Moving’.”

“Through the introduction of a permit scheme for activities on the highway network, we will have greater control over works, enabling: the promotion of better working practices; improved coordination and quality of works; better informed residents and highway users; and reduced impact whilst essential works to the highway or utility apparatus is taking place.”

#### **Report Summary:**

The highway network is fundamental to Staffordshire’s economy and to the wellbeing of its population, carrying large numbers of people by public and private transport and enabling the delivery of goods and services every day of the year. The highway also serves as a network that enables the provision of essential supplies of water, power and communications.

Both the highway network and utility apparatus require repair and improvement to ensure the safe and efficient supply of essential utility and transport services on which we all depend. However, these works impose substantial costs on society, principally through disruption and delay to road users and can be a detriment to the attractiveness of the county to businesses and visitors alike.

Each year, over 30,000 openings are carried out by statutory undertakers (utility companies) and other organisations on the highway network in Staffordshire. A similar number of activities are carried out by the highway authority.

Under the current system, a statutory undertaker has to inform the local highway authority about its intention to carry out works on its road network. The County Council, as local highway authority is also required to register its own proposed works. This notification allows the timing and duration of works to be co-ordinated to some extent but the incentives to seek efficiencies are quite limited.

The introduction of a permit scheme will enable the authority to grant permits to works promoters to undertake works on the highway. This will provide greater control over works enabling: the promotion of better working practices, for example working outside peak hours where appropriate; improved asset protection and coordination of

works; better informed residents and highway users; and reduced impact whilst essential works to the highway or utility apparatus is taking place.

### **Recommendations**

I recommend that the authority:

- a. Implements a Street Works Permit Scheme for Staffordshire under the Traffic Management Act 2004 in April 2020;
- b. Adopts the common set of scheme conditions developed for the West and Shire Permit authorities.

<b>Local Members Interest</b>
N/A

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### **Keeping Staffordshire Moving – Highway Permit Scheme**

#### **Recommendations of the Cabinet Member for Highways and Transport**

I recommend that the authority:

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- b. Adopts the common set of scheme conditions developed for the West and Shire Permit authorities.

#### **Report of the Director of Economy, Infrastructure and Skills**

##### **Reasons for Recommendations:**

1. In October 2013, Cabinet agreed to the County Council proceeding towards the introduction of a permit scheme for street works with the Director for Place and Deputy Chief Executive, in consultation with the Cabinet Member for Economy and Infrastructure given delegated authority to deal with the preparation of a permit scheme, including the consultation processes.
2. The final decision to proceed with the scheme was delegated to the Cabinet Member for Economy and Infrastructure. Due to the length of time that has elapsed from when this original decision was made, Cabinet are being provided with an update on changes that have occurred nationally i.e. that all authorities are encouraged to implement a street works permit scheme and, further opportunity to review and approve its implementation.
3. In July 2018, the Secretary of State for Transport wrote to all local highway authorities that were not operating a street works permit scheme asking them to consider introducing a permit scheme by 31 March 2019. In September 2018, central Government announced a £10m investment in a new system, Street Manager, that will replace the current system of noticing for street works known as EtoN (Electronic Transfer of Notices). This system is being built for permit schemes only.
4. In response to this, in February 2019, the Infrastructure Plus Strategic Partnership Board prioritised the development of the Permit Scheme Business Case including consideration of delivery options.
5. A permit scheme for Staffordshire has been developed using the West and Shires Permit Scheme (WaSP) which is currently used by Shropshire Council, Worcestershire County Council, Cheshire East Council, Warwickshire County Council, Coventry City Council and Telford and Wrekin Council.

6. The primary purpose of the scheme is 'Keeping Staffordshire Moving' with the key objectives listed below:
  - a. Increase the efficient running of the highway network through proactive management of activities on the highway.
  - b. Improve the quality and timeliness of information received from all activity promoters.
  - c. Encourage a proactive approach to planning and undertaking of works on the highway.
  - d. Protect the structure of the street and the integrity of apparatus in it.
  - e. Ensure the safety of those using the street and those working on activities that fall under the scheme.
  - f. Ensure parity of treatment for all activity promoters.
7. At its meeting on 17<sup>th</sup> December 2019, the Infrastructure Plus Strategic Partnership Board considered a report on the Permit Scheme and recommended that the scheme be implemented. Membership of the Board includes the Cabinet Members for Highways & Transport, Economic Growth and Commercial, the Director for Economy, Infrastructure & Skills and the County Treasurer. External Membership of the Board includes the Managing Director Amey Highways, Divisional HR Director Amey Highways and Managing Director Amey Consulting.

## **Consultation**

8. A formal consultation for the scheme has taken place with a broad range of key stakeholders including utilities, emergency services, surrounding local authorities, town and parish councils and County Councillors. The consultation invited stakeholders to comment on the proposed Scheme as it related to the associated regulations and ran for a period of 12 weeks from Monday, 27 November 2019 with a deadline for receipt of responses of Friday, 14 February 2020.
9. Information for the consultation provided insight into the need for the WaSP Scheme. The consultation engagement was publicised on Staffordshire Council's website;  
  
<https://www.staffordshire.gov.uk/Highways/licences/Permit-scheme-consultation.aspx>
10. The consultation was sent to 679 consultees with a total of 8 individual responses received – from Local Government, Utilities and licence holders ( under Section 50 of the New Roads and Streetworks Act 1991( NRSWA 1991) ) who participated in the consultation online. Additional comments provided outside of the questionnaire by consultees were largely in support of the scheme but required further clarification on individual processes or on regulations. All comments have been considered separately and are provided on the Permit Scheme Consultation web page.  
  
<https://www.staffordshire.gov.uk/Highways/licences/Permit-scheme-consultation.aspx>

11. A Members briefing event was also held on 20<sup>th</sup> February 2020.
12. Following the consultation, there are no changes required to the scheme document or related SCC-specific documentation.

### **Resource and VFM Analysis:**

13. Under a permit scheme, the permit authority is allowed to recover costs through permit fees. The maximum permit fees are set nationally. The proposed permit scheme has been developed based on applying permit fees to all activities but, at a fee level that is generally below the maximum currently allowable as this will provide scope for future increase if required.
14. The costs that can be charged against the permit scheme are those which are over and above the costs of operating as a street works noticing authority. The income from fees must not exceed the total allowable costs prescribed in the Traffic Management Permit Scheme (England) Regulations 2007 (SI 2007/3372) (the 2007 Regulations) but the balance can be achieved over several years. Allowable costs are limited to: the proportion of direct costs and overheads attributable to operating the scheme for undertakers, which are over and above the cost of the authority's co-ordination duty under NRSWA 1991. If fees and costs do not match the actual outturn for any year adjustments should be considered. It is essential that, at least over a three-year period fees do not exceed the allowable costs.
15. A highway authority is not required to charge a fee for its own works, but it can use a shadow charging arrangement to show the cost of issuing permits to its own works promoters both to help understand its own costs, and to set those alongside the costs to other promoters.
16. Anticipated income and expenditure associated with the permit authority aspects of the scheme have been calculated using tools provided by WSP who were appointed to support the development of the scheme and are in line with DfT guidance and have been benchmarked against comparable other authorities to ensure suitability and robustness.
17. The forecast additional income realisable through the charges based on the previous volume of work noticed by utilities is estimated to be up to £1.11m per annum. This income will cover the full cost of administering the scheme as permit authority including overheads.
18. The introduction of a permit scheme not only represents a new way of working for network management, but also for the highways works promoter. Currently, the highway authority as a works promoter notices only a small volume of its works.
19. In developing the processes for highway permitting, emphasis has been placed on permitting works where these will have the greatest impact on the network and hence highway user in line with the outcomes for the permit scheme. This includes work that requires road closures and work with traffic controls on traffic sensitive streets. This is expected to include between 35% and 40% of all highway works which is typical of other similar highway authorities.

20. Additional resources will be required in the highway works delivery and projects team as a result of the changes in working practice that will be required mainly the need to apply for permits for highway authority works.
21. The scheme is expected to show an overall Benefit Cost ratio of 5.93 and represents a positive return to both residents and businesses through reducing the delay due to road and street works.

### **Risk Analysis:**

22. If a permit scheme is not progressed using our own developed terms for local needs, there is a risk that a national scheme could be imposed, and the benefits outlined above will not be achieved.
23. The national change to Street Manager in April 2020 which is being built for permit schemes only could mean that the authority is unable to coordinate activities on its road network.

### **Legislation**

24. Highway Authority Permit Schemes were introduced by Part 3 (sections 32 to 39) of the Traffic Management Act 2004 (TMA 2004) and are regulated in England by the 2007 Regulations.
25. The Deregulation Act 2015 removed in England the requirement for permit schemes to be approved by the Secretary of State. It amended the TMA enabling highway authorities in England to make their own schemes and to vary or revoke existing schemes.
26. The 2007 Regulations have been amended by the Traffic Management Permit Scheme (England) (Amendment) Regulations 2015 (S.I. 2015/958) (available at: <http://www.legislation.gov.uk/ukSI/2015/958/contents/made>) to reflect changes made by the Deregulation Act 2015 and other changes to the operation of permit schemes.
27. The amended regulations applied to all new schemes from 30 June 2015. In developing the permit scheme for Staffordshire, the authority has taken into account the Statutory Guidance issued by the Secretary of State.
28. Although the Secretary of State no longer approves permit schemes, he retains the power to direct an authority to prepare a scheme (s33(2)(b) TMA 2004) and to direct that a scheme is modified or revoked (Section 36(2) TMA 2004).

### **List of Background Documents/Appendices:**

Cabinet Wednesday 16<sup>th</sup> October 2019 – Keeping Staffordshire Moving – Highway Permit Scheme –

<http://moderngov.staffordshire.gov.uk/ieListDocuments.aspx?CId=123&MId=4183>

Permit Scheme Consultation (Including proposed scheme conditions, cost benefit summary, work volumes, cost calculation templates)

<https://www.staffordshire.gov.uk/Highways/licences/Permit-scheme-consultation.aspx>

## Contact Details

**Assistant Director:** James Bailey, Assistant Director for Highways and the Built County

**Report Author:** David Walters  
**Job Title:** Strategic Asset and Network Manager  
**Telephone No.:** 01785 854024  
**E-Mail Address:** [david.walters@staffordshire.gov.uk](mailto:david.walters@staffordshire.gov.uk)