

Report to:	Cabinet	Date of Meeting:	1 November 2018
Subject:	Permit Scheme for Road and Street Works		
Report of:	Head of Locality Services - Commissioned	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Locality Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To advise Cabinet of the results of the 3rd year review and to seek approval to increase the current permit fees.

Recommendation(s):

It is recommended that Cabinet:-

- i. Acknowledges the benefits of the permit scheme as detailed in the report.
- ii. Approves the recommendation to increase the current permit fees.

Reasons for the Recommendation(s):

The Council has successfully operated a permit scheme since 2nd February 2015. Each of the 3 yearly reviews has demonstrated the success of the scheme and the financial benefits to the economy and road user.

Increased operating costs over the duration of the permit scheme have highlighted the need to review the fee structure to ensure that the Council does not operate the scheme at a financial loss.

Alternative Options Considered and Rejected: (including any Risk Implications)

The Council could choose to maintain the existing permit fee structure, however, this may result in an operational loss for the running of the scheme.

What will it cost and how will it be financed?

- (A) **Revenue Costs**
None

(B) Capital Costs
None

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): Increasing the fees will generate additional income to cover the costs of the existing staff operating the scheme.
Legal Implications: There are no legal implications.
Equality Implications: There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Not applicable.
Facilitate confident and resilient communities: Not applicable.
Commission, broker and provide core services: Not applicable.
Place – leadership and influencer: Managing the highway network more effectively will allow for enhanced and more reliable journey times.
Drivers of change and reform: Not applicable.
Facilitate sustainable economic prosperity: Not applicable.
Greater income for social investment: Not applicable.
Cleaner Greener: Reducing occupation of the highway has a direct impact on our carbon footprint.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5323/18) and Head of Regulation and Compliance (LD4548/18) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Consultation has taken place with all relevant stakeholders who would be affected by the fee increase

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

Contact Officer:	Gary Jordan
Telephone Number:	Tel: 0151 934 4731
Email Address:	gary.jordan@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

Proposed permit fee charges.

Background Papers:

There are no background papers available for inspection.

Background

- 1 The Council successfully applied to become a permitting authority with effect from 2nd February 2015.
- 2 Instead of informing the authority of their intention to carry out works, the activity promoter now must book time on the highway by obtaining a permit. Works cannot commence until a permit has been granted.
- 3 Whilst it has to be accepted that road and street works will inevitably cause some form of disruption on the highway, the permit scheme gives the authority greater powers to mitigate the effects. Conditions can now be imposed on the works promoter before granting a permit to work and the authority can now also direct timings. These measures have enabled the Council to manage road and street works more effectively.
- 4 The Department for Transport requires that any permit authority must review its scheme annually for the first 3 years, and further review it on a subsequent 3-year cycle. Each 3rd year review is also to incorporate a review of the permit fees.
- 5 The 2nd February 2018 saw the third anniversary of the implementation of Sefton Council's Permit Scheme for road and street works. The 3rd year review has once again highlighted the success of the permit scheme and the positive impact it is having on the local economy and the travelling public.
- 6 A further 27,657 days of highway occupancy have been saved in year 3. This equates to an economic benefit calculated at £4.4m.
- 7 The cumulative total of economic benefit for the 3-year duration of the permit scheme is £11.7m which equates favourably to 58% of the projected 25-year anticipated economic benefit. The projection was originally based upon an assumed benefit of 5% as used in the national figures for operating a permit scheme.
- 8 Officers will continue to monitor works closely, in accordance with recommendations and local knowledge, to strive to reduce works durations as much as possible and to ensure works promoters are complying with agreed conditions to mitigate disruption as much as possible.
- 9 Several factors which contribute to the calculation of permit fees have increased since the inception of the scheme. These include staff costs, inflation rises, pension contributions and allowable software and hardware purchases.
- 10 Allowable costs and Fees are detailed in part 6 of the DfT Statutory Guidance for Highway Authority Permit Schemes (October 2015). These include maximum fees which can be charged for each permit category. Any fee set by the Authority must be contained within the DfT limits.

Revised Permit Fees

- 11 Detailed calculations have been completed on the existing permit fees and the costs associated with running the scheme. These calculations have been based on historical numbers of permit applications so that predictions of future levels can be assessed. The scheme is designed to generate fees equal to the costs associated with running the scheme.
- 12 Based on the above, there is a need to adjust the fees so that the Authority continues to cover costs. Failure to do so would mean that losses would occur which would have to be funded by the Authority.
- 13 A consultation has been undertaken with interested parties explaining the need to increase fees. This consultation resulted in three enquiries from Cadent Gas, United Utilities and Virgin Media. The responses received asked for more details and clarification on some points. All the issues raised in the consultation have been addressed and the additional information has been provided.
- 14 It is proposed, therefore, to increase permit fees as shown in annex A of this report. Proposed fees must comply with the statutory guidance and cannot exceed the maximum allowable costs.

Appendix A

PERMIT FEE COMPARISON

Cat 0-2 & TS

PAA	Major	Standard	Minor	Immediate	Variation	
£105	£240	£130	£65	£60	£45	Fee maximums
£101	£206	£120	£61	£54	£45	Sefton current
£105	£227	£130	£65	£60	£45	Sefton proposed

Cat 3-4 Non TS

PAA	Major	Standard	Minor	Immediate	Variation	
£75	£150	£75	£45	£40	£35	Fee maximums
£62	£108	£63	£30	£29	£35	Sefton current
£65	£114	£66	£32	£30	£35	Sefton proposed