

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	5 June 2018
Title:	Highways Permit Scheme
Report From:	Director of Economy, Transport and Environment

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1. Recommendations

- 1.1 That the Executive Member for Environment and Transport notes progress made on developing a Highways Permit Scheme to replace the existing Noticing System for managing street works in Hampshire, and approves the proposal for a Highways Permit Scheme to apply only for works that are considered to have a high impact on traffic.
- 1.2 That the Executive Member for Environment and Transport approves consultation with utility companies and other key stakeholders on the proposed Highways Permit Scheme, and that the results are reported to the Executive Member as part of a further report later in the year on the implementation of the proposal

2. Executive Summary

- 2.1 The purpose of this paper is to update the Executive Member for Environment and Transport on progress made on developing a Highways Permit Scheme to replace the existing Noticing System for managing street works in Hampshire and to seek authority to carry out consultation on the proposed scheme.
- 2.2 This paper sets out the costs and benefits of the proposed Permit Scheme, which indicate that the proposal is financially beneficial to the local economy, and will reduce congestion caused by uncoordinated or poorly managed road works, which is a major cause of frustration for residents and businesses.
- 2.3 The paper considers the alternative options for a Permit Scheme and recommends such a scheme to apply only for works that are considered to have a high impact on traffic. This will focus resources on the desired enhanced management of works, having a greater potential impact on traffic, while minimising costs to utility companies and the County Council for works having a low impact on traffic.

3. Contextual information

- 3.1 The New Roads and Street Works Act 1991 provides utility companies with legal rights to place and maintain their apparatus in the public highway. Utility companies must work in accordance with National Codes of Practices and Specifications. Under the current Noticing system for managing street works in Hampshire, utility companies must submit notices of their works to the County Council to enable works to be coordinated. Similar processes are in place to manage County Council works and other licensed works.
- 3.2 Each year the County Council coordinates approximately 35,000 utility works and 25,000 County Council works and other licensed activities. These works generate in the region of 230,000 notices. The County Council uses these notices to coordinate works.
- 3.3 Under a Permit Scheme, all works promoters, including the County Council, will require a Permit before working.
- 3.4 Permit Schemes were introduced by Part 3 of the 2004 Traffic Management Act as amended by the Deregulation Act 2015. The structure of schemes is described by the 2007 Traffic Management Permit Scheme (England) Regulations as amended in 2015.
- 3.5 In 2011, the Hampshire County Council Environment and Transport Select Committee concluded an investigation into the coordination and regulation of all works on Hampshire County Council's highways. The review was in response to changes in legislation that had allowed local authorities to consider alternative methods of coordinating and regulating works on the highway, including Permit Schemes. The Select Committee investigation concluded that the advantages of a Permit Scheme over and above the Noticing System in place at that time were not sufficient to justify the additional costs associated with a Permit Scheme. This recommendation was based in part on consultation with comparative local authorities. All those authorities operating Noticing Systems intended to continue with these rather than move to a Permit Scheme, although it was recognised that a Permit Scheme would provide more control.
- 3.6 Since this time the majority of local authorities have adopted a Permit Scheme, and today the advantages of a Permit Scheme and anticipated disadvantages of continuing with noticing, is likely to encourage remaining local authorities operating Noticing Systems to switch to Permits Schemes. This includes Government policy which favours Permits Schemes, for instance by offering permit authorities the option to run lane rental schemes. Since the Select Committee review, the County Council has implemented a number of changes in response to reduced funding and inflationary driven increases in costs across all services, such that the operating model for highways and street works activity is fundamentally different now to the situation in 2011, and against this background, the benefits of a Permit Scheme now justify its adoption by the County Council.

4. Options

- 4.1 Department for Transport guidance on the assessment of Permit Schemes indicates that implementing a Permit Scheme may be anticipated to reduce the

number of works by 5% compared with a Noticing System. This reduction is achieved as a result of improved coordination made possible by the tighter controls on works promoters who require a permit to be issued before works may start. This reduction in the number of works will have a commensurate beneficial reduction in traffic congestion, pollution (from idling vehicles), and disruption to residents and businesses.

4.2 Two principal alternative options exist for Permit Schemes:

- A. Permits for works that are considered to have a 'high impact' on traffic e.g. major works, or any works on traffic sensitive streets; and
- B. Permits for all works, regardless of 'impact', but with a significantly reduced charge for 'low impact' works to reflect the lesser time needed to coordinate such works.¹

Under option A. above, works considered to have a 'low impact' on traffic are assessed and coordinated, but no enhanced coordination activities are undertaken and therefore no charge is made for the permit.

4.3 Guidance published by the Department for Transport advises that local authorities establishing a Permit Scheme should design schemes to target improvements to ensure more effective use of the strategic network. Option A. above, to permit only works that are considered to have a 'high impact' on traffic, best meets this objective.

5 The Proposal

5.1 The proposed Permit Scheme would apply only for works that are considered to have a high impact on traffic.

5.2 The scheme has been named the Hampshire County Permit Scheme (HCPS).

5.3 The proposed HCPS focusses on works and roads that will have the greatest impact on the travelling public, residents, and businesses in Hampshire. Permits will apply to all works, but the enhanced (charged) service will not apply to minor and immediate works on non traffic sensitive streets (mainly minor rural roads and residential streets). Minor works are those that are planned to take three days or fewer, and typically include water meter repairs, pothole repairs, and utility connections to residential properties. Immediate works are those needed to restore a customer that has lost a utility service or fix a problem causing a danger, such as a gas leak or a burst water main. Charges for works on such roads will not be made as their impact on traffic and residents is generally minimal. This is consistent with Department for Transport advice that schemes should target improvements to ensure more effective use of the strategic network.

¹ Low Impact – Usually lasting three days or fewer, eg pothole repairs or water meter installations on residential streets, minor patching or cable repairs on a low traffic volume rural road.

High Impact – Works of any duration on a high traffic volume road, or works planned to last more than 3 days on residential or minor roads, or any works needing a planned closure. Example: resurfacing or surface dressing of the A27, gas mains renewal in residential streets, closure of a minor rural road for the replacement of a telegraph pole.

- 5.4 Permits for all works on all other streets will be charged on a sliding scale depending on the nature of the works and the type of road directly affected. These charges reflect the amount of additional management and controls that will be undertaken to minimise disruption arising from the works. Discounted permit charges will be applied where statutory undertakers plan their works more effectively to further minimise disruption e.g. by working only at night or outside of peak traffic times. Again, this is consistent with Department for Transport advice that schemes should target fees and offer discounts to improve performance and reduce occupation of the network, especially on strategic routes.
- 5.5 The proposed HCPS will provide greater controls to more effectively and proactively manage and coordinate works on the highway network. The County Council's own works will also need to comply with the requirements of the scheme.

6 Finance

- 6.1 Permit schemes were introduced in the Traffic Management Act 2004 to enable Highway Authorities to increase resources managing works on the highway, thereby reducing traffic congestion and protecting the highway asset.
- 6.2 The costs for these additional resources relating to Statutory Undertaker works can be recovered from utility companies. The costs associated with a local authority's own work cannot be included in the charge applied to utility companies. A local authority must bear the cost of applying the same scrutiny for its own works as it imposes on others.
- 6.3 Utility companies will pay a fee for their permit to be assessed and processed. The fees recovered from utility companies will cover the costs of an enhanced service to better manage and coordinate their works, and the Regulations only permit charging the additional costs of the Permit Scheme. These costs are predominantly made up from the additional staff and management required to operate the Permit Scheme.
- 6.4 Atkins was commissioned to undertake Cost Analysis in line with Department for Transport guidance for local authorities developing permit schemes. The Benefit Cost Analysis used data on road works carried out in the last three years (2015-2017) in Hampshire to establish the average number and duration of works in Hampshire, together with Annual Average Daily Traffic flow (2016) on different categories of road using information from 396 count sites in the county. The Department for Transport software, QUADRO (Queues And Delays at Roadworks), was used to estimate the cost and benefits of a permit scheme over a twenty-five year appraisal period (2019-2043).
- 6.5 The total costs over the twenty-five year appraisal period for the all works (option B) is approximately £30 million, and £21million for high impact works only (option A). The total value of benefits over the twenty-five year appraisal period for the all works (option B) is £299million, and £289million for high impact works only (option A). The benefits result from the reduction in road works due to the implementation of the permit scheme. The majority of benefits relate to travel time savings and reductions in vehicle operating costs, but there are further predicted benefits in terms of a reduction in accidents and carbon emissions.

- 6.6 The higher costs associated with the all works option mean that the Benefit Cost Ratio is greater for the high impact works only option, 42.2 compared with 27.2. A Benefit Cost Ratio above 4 represents good value, and the Benefit Cost Ratios of both options demonstrates very high value for money.
- 6.7 Given the higher costs associated with the all works option and the lower Benefit Cost Ratio, the high impact works only permit scheme (option A), demonstrates best value for money.

7 Performance

- 7.1 Permit Schemes place a legal obligation on all statutory undertakers and other works promoters (including the County Council). Working without a valid permit and failing to comply with any conditions attached to that permit are enforceable and carry the option of prosecution or issuing a fixed penalty notice.

8 Consultation and Equalities

- 8.1 Local authorities developing new or varying existing Permit Schemes are required to consult. The consultation requirements are set out in Regulation 3 of the Traffic Management Permit Scheme (England) Regulations 2007.
- 8.2 The consultation will be undertaken on a draft version of the scheme and will include reasoning and cost / benefits of the scheme. The permit charges will also form part of the consultation.
- 8.3 Experience from other Authorities' consultations indicates that utility companies are likely to have concerns over any scheme that includes charges for works that are likely to cause minimal congestion. This would be negated by the HCPS not charging for such works. However, the level of charge will also be scrutinised by utility companies. The charges in the HCPS are broadly on a par with other Authorities so concerns over such should be minimised.
- 8.4 Utility companies may focus on the reasoning behind moving to a permit scheme, particularly as the County Council generally has a good working relationship with works promoters and is perceived to coordinate well. Although this is the case, the cost / benefit analysis still clearly demonstrates a significant benefit to introducing a scheme, so existing performance should not be considered relevant.
- 8.5 It is proposed to consult key stakeholders as required under the Regulations, and to amend the proposed scheme as appropriate to reflect the views of consultees and to ensure that the scheme provides appropriate value to the County Council and to works promoters in general. Key stakeholders include:
- Secretary of State for Transport;
 - All utility companies and other statutory organisations carrying out work in Hampshire;
 - District, borough, and other local authorities in Hampshire; and
 - Emergency services.

- 8.6 An equalities impact assessment has been carried out on the consultation. A separate equalities impact assessment would be undertaken for the Scheme's introduction.

9 Other Key Issues

- 9.1 Central Government is encouraging Highway Authorities to move to a permit scheme. Legislation and changes in industry processes are now geared towards permit schemes rather than notice regimes.
- 9.2 The Government has extended powers for lane rental schemes to Highway Authorities, but a prerequisite of operating a lane rental scheme is having a permit scheme in place first. The County Council considers a lane rental scheme could provide additional effective controls for works on the most highly sensitive parts of the strategic network. Without a proven permit scheme in place the County Council cannot operate a lane rental scheme.
- 9.3 The Department for Transport is developing the Street Manager Project. This project will ultimately replace all local IT systems that manage notices and permits. It is anticipated that the project will be rolled out in mid 2019 with Authorities opting in as their existing IT contracts expire. Although capable of handling notices, the Street Manager project is predominantly geared towards permit schemes.
- 9.4 Prior to the deregulation of permit schemes, the Department for Transport would not authorise schemes that included charges for low impact works. Despite Department for Transport approval for permit schemes no longer being required, Department for Transport advice still encourages schemes to focus on high impact works. General consensus in the industry also suggests that future changes to permit scheme charges will also concentrate on works with the highest impact. Should the HCPS include charges for low impact works there is a concern that it would be out of step with National guidance and future developments.

10 Future direction

- 10.1 Subject to consultation responses received, further reports may be required to amend the detail of the Permit Scheme and advise the Executive Member for Environment and Transport of changes to the associated costs and any implications for the authority.
- 10.2 An Executive Member decision to implement the Permit Scheme will in any event be required in order to bring into force the associated legal order.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Coordination and Regulation of All Works on Hampshire County Council's Highways' Scrutiny Review http://hantsweb-staging.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemssummary.htm?sta=&pref=Y&item_ID=2903&tab=1&co=&confidential=	12 th May 2011
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Traffic Management Act Traffic Management Permit Scheme (England) Regulation. Deregulation Act.	2004 2007 2015

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
Statutory Guidance for Highway Authority Permit Schemes (October 2015)	Department for Transport publication
DfT Advice Note “ For local authorities developing new or varying existing permit schemes” (June 2016)	Department for Transport publication
Atkins. Technical note (QUADRO analysis of Hampshire roadworks data)	Hampshire County Council

IMPACT ASSESSMENTS:

1. Equality Duty

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2 Equalities Impact Assessment:

It is considered that the proposal will have a neutral impact on groups with protected characteristics. Measures provided in response to specific needs e.g. disabled parking bays, will continue to be provided where appropriate.

The impact will be assessed again at the point a decision is taken to implement the proposed scheme following the consultation, but for the time being the decision to consult is not anticipated to have any impact on groups with protected characteristics.

2 Impact on Crime and Disorder:

2.1 Uncoordinated or poorly managed road works can cause disputes. An effective Permit Scheme will help reduce conflict.

3 Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

The proposal will have a beneficial impact on climate change by the more effective management of road works that will have a commensurate beneficial reduction of traffic congestion and pollution (from idling vehicles).

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

It is considered that the proposal will have no impact on the need to adapt to climate change and be resilient to its longer term impacts.