

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	19 November 2020
Title:	Hampshire Highways Permit Scheme
Report From:	Director of Economy, Transport and Environment

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Purpose of this Report

1. The purpose of this report is to provide the Executive Member with a copy of the statutory annual report of the Hampshire County Permit Scheme (HCPS). Legislation requires all Highway Authorities operating permit schemes to produce an annual report showing the schemes performance and describing its effectiveness in achieving the scheme's objectives. The proposed HCPS report for the 2019/2020 year is attached as Appendix 1. This report concludes that
 - the scheme is achieving its objectives;
 - the scheme is assisting the County Council in executing its Networks Management Duty as specified in the Traffic Management Act 2004 (TMA);
 - there is parity between County Council works and utility works;
 - the scheme made a small loss in the first year, but financial adjustments to the permit charges are not recommended at this time; and
 - that the scheme document needs minor changes to bring it in line with current legislation and technology.

Recommendations

2. That the Executive Member for Economy, Transport and Environment approves the 2019/2020 annual report for the Hampshire County Permit Scheme (HCPS) and notes the success of the scheme and the need for a review of the scheme documents to take account of recent changes in legislation and technology.
3. That the Executive Member for Economy, Transport and Environment delegates authority to the Director of Economy, Transport and Environment to approve future reports of this kind.

Executive Summary

4. On 1 April 2019 the HCPS commenced. The scheme had been developed over the preceding 18 months using National guidance, legislation and taking good practice from other existing permit schemes in the region. Authority to

commence the HCPS was given at the Executive Member for Environment and Transport Decision Day on 29 September 2018 and the legal order to commence the scheme was enacted on 31 January 2019.

5. After the first year of operation, data analysis confirms that the HCPS has been successful in meeting its objectives and has had improved the management of all works and has reduced the impact of works on the flow of traffic around Hampshire.
6. Assessment of the financial aspects of the scheme confirms that the actual income for the 2019 to 2020 year is slightly lower than the cost. However, changes in the scheme charges are not proposed at this time. This situation will be revisited following a further year of operation.
7. In the first year of operation legislation and best practice for permit schemes have changed, and in addition a new National IT system has been implemented. This has revealed a need to review the HCPS scheme documents and processes to ensure the continued use of good practice and correct minor mistakes

Contextual information

8. The Traffic Management Act 2004 (TMA) gives local Traffic Authorities the power to develop and run a permit scheme for works on the highway. Such a scheme must apply to utility company works and Highway Authority works.
9. In July 2018, the Secretary of State for Transport wrote to all Traffic Authorities asking that they consider introducing a permit scheme by 31 March 2019, stating that the Government believes that operating a street works permit scheme is a far more effective way of proactively managing street and road works on the local road networks than operating under the older, more passive street works noticing system.
10. Permit schemes require anyone proposing to undertake works to first obtain a permit from the County Council. The County Council must not unduly refuse a permit, but it can set reasonable conditions to minimise traffic disruption.
11. Permit schemes must have stated objectives that revolve around the Traffic Authority's legal duty to facilitate the free flow of traffic on their network and the networks of neighbouring Authorities. The specific Objectives from the scheme document are as follows:
 - to proactively manage the local highway network;
 - to maximise the efficient use of road space;
 - to minimise traffic disruption arising from activities on key routes;
 - to minimise disruption to residents arising from significant schemes in residential areas;
 - to improve the compliance with relevant specifications and Codes of Practice;
 - to improve the quality, reliability, and accuracy of works information to the public;
 - to improve stakeholder engagement for significant works schemes; and
 - to ensure parity of treatment for all promoters (this is a requirement of all permit schemes).

12. Legislation allows Authorities to charge for works permits. The charges can only cover the costs of additional resources needed to review the permits and cannot recover costs for additional inspections or for activities not directly related to administering the scheme. Costs for operating the HCPS for County Council works cannot be included in the charges for utility company works. Any additional funds recovered must be returned to the utility companies in following years via reduced permit charges. If a scheme fails to cover its costs, then permit fees may be increased up to the maximum levels set by legislation.
13. Permit schemes have to offer discounted permits where works are carried out in such a manner as to minimise traffic disruption or where the scheme is of strategic importance. In the HCPS a 30% discount is offered where works are timed to avoid peak times or for schemes of National importance and a 50% reduction is offered where works promoters share workspace. The HCPS also does not charge for minor or immediate works on non-traffic sensitive category 3 and 4 roads, i.e. works that are anticipated to have minimal impact on low traffic roads.

Finance

14. During scheme development studies were undertaken to model the costs of the scheme which would drive the cost of the permits. The costs for running the scheme for utility works has been determined to be approximately £990,000 per year. This cost was generated from the additional resources, IT systems, management costs and all associated overheads, including the need to employ additional staff to manage the utility company permits.
15. In the first year of operating (April 2019 to the end of March 2020) the HCPS recovered £910,000 from utility companies. (In line with National guidance, no charges were made for permits in April to allow all works promoters to become accustomed to the scheme). The income from the first year suggests that the County Council has suffered a loss of approximately £80,000. However, no changes to scheme permit charges are currently proposed. Charge rates will be reviewed following a further full year of operation.

Performance

16. The 2019/2020 annual HCPS report (See Appendix 1) provides data and analysis that confirms that the scheme has met its objectives, is working effectively, and is demonstrating parity between County Council works and utility works.

Consultation and Equalities

17. Consultation with statutory consultees (e.g. utility companies) is a requirement for the development of all permit schemes. Authority to consult on the HCPS was given at the Executive Member for Environment and Transport Decision Day on 5 June 2018. The consultation was successfully concluded in September 2018 and concerns/issues raised were addressed.

18. This decision relates to the administration of the HCPS, and has no direct impact on residents, so it is deemed to have a neutral impact on groups with protected characteristics.

Other Key Issues

19. In July 2020, an internal audit was undertaken on the HCPS to assess the effectiveness of the management and processes related to the scheme. The audit found that the HCPS had a sound framework of internal control with opportunities to improve controls and/or compliance with the control framework. No significant risks to the achievement of system objectives were identified in the audit.
20. Obtaining performance data from the original IT system used to manage the HCPS has proved to be challenging. Lockdown and the global impact of the Covid-19 pandemic has also created delays in obtaining data. However, these have now largely been overcome, which has enabled the 2019/2020 annual HCPS report to be completed.

Conclusions

21. The 2019/2020 annual HCPS report proves that the scheme is effective and demonstrates that the HCPS has met all its objectives and can demonstrate parity.
22. In the first year of operation a slight financial loss has been incurred, however, a full year of normal operation is required before any decisions can be made as to whether the permit charges need amending.
23. The documentation for the scheme needs to be amended to correct minor errors and incorporate changes resulting from new legislation and technology.

REQUIRED CORPORATE AND 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> Highways Permit Scheme: Executive Member for Environment and Transport Decision Day	<u>Date</u> 29 Sept 2018
Direct links to specific legislation or Government Directives	
<u>Title</u> Traffic Management Act Traffic Management Permit Scheme (England) Regulations. Deregulation Act.	<u>Date</u> 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>
None 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

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- 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.

2. Equalities Impact Assessment:

This decision relates to the administration of the Hampshire County Permit Scheme, and has no direct impact on residents, so it is deemed to have a neutral impact on groups with protected characteristics.