

## **1.0 SUMMARY**

- 1.1 This report explains some of the potential changes to the way in which works in the public highway can now be controlled and seeks authority to further investigate the potential for a 'Permit Scheme' for work in specified streets in Sheffield by conducting a formal consultation process in accordance with regulatory guidelines.

## **2.0 WHAT THIS MEANS FOR THE PEOPLE OF SHEFFIELD**

- 2.1 The permit scheme will give greater control over roadworks on the busiest and most important traffic routes in the City. This will reduce delays and congestion for residents and businesses in Sheffield. It will meet the Corporate Plan priorities of "Reducing Congestion", "Reducing Carbon footprint", "Safer Roads", "Streets to be proud of" and "A modern and efficient organisation".

## **3.0 OUTCOME AND SUSTAINABILITY**

- 3.0 The proposed permit system will result in better planning and control of street works through a self financing system. This will reduce delays to traffic and result in lower levels of congestion and carbon emissions and improved air quality. It will improve safety for road users, including pedestrians. It will reduce highway maintenance costs as there will be fewer road excavations and a higher standard of reinstatements.

## **4.0 REPORT**

- 4.1 The Government introduced the Traffic Management Act (TMA) in October 2004, with the intention of tackling road congestion by changing the way in which local traffic authorities carry out their duties. The Act gave new powers and imposed a duty to keep roads clear and traffic moving. The Act contains a specific duty on local traffic authorities to manage their road networks with a view to "... *securing the expeditious movement of traffic ...*" In relation to this 'Network Management Duty' the Act requires local traffic authorities to make, "... *such arrangements as they consider appropriate for planning and carrying out the action to be taken ...*".

### Permit Scheme to Control Work on the Highway

- 4.2 One of the powers contained in the TMA is the ability for local traffic authorities to apply to the Secretary of State to make an Order for a permit scheme for the control of "*specified works*" on all, or part, of an authority's highway network. Specified works are utility street works and the traffic authority's own works for highway purposes. For Sheffield this is the City Council. Formal arrangements for the implementation of permit schemes were introduced in Regulations in November 2007, along with a Code of Practice and followed by Department of Transport (DfT) guidance in 2010.
- 4.3 Under the current arrangements covered by New Roads and Street Works Act a works promoter is required to send a notice to the traffic authority that works are intended. Under the TMA the works promoter has to apply to the authority for a permit to work in that road, on specified days, at specified times, using specified methodology and traffic management – all of which have to be agreed before a permit is granted. The permit scheme can apply to all streets, or just certain specified streets. For utility companies, there is a charge for a permit to work (the

permit fee). As now, there are penalties for non compliance with the rules, but additionally, non compliance with permit conditions. All of the funding derived from permit fees has to be used to provide additional resources to better control the works of utility companies on the highway, with the intention of reducing delays to the travelling public. The traffic authority cannot make a profit from operating this system.

- 4.4 Permit Schemes have been implemented in Kent and in London (Transport for London and a large proportion of London boroughs) and a Northamptonshire scheme for main roads only is now approved and due to be implemented on 1<sup>st</sup> January 2011. Many other authorities are now actively working on potential schemes and a national working group has been formed to help and advise people seeking to implement a scheme.
- 4.5 There are three types of permit scheme available to traffic authorities.
- i) An 'individual' scheme for one authority on its own is one type of scheme; like the one implemented by Kent County Council.
  - ii) A 'common' scheme, has the same road types, rules and requirements for several authorities in an area, but with individual permit fee levels and objectives particular to each authority.
  - iii) A 'joint' scheme is run by one organisation on behalf of a number of authorities, administered centrally.

#### Yorkshire Common Permit Scheme

- 4.6 A group of officers has worked on a proposal for the Yorkshire and Humberside authorities and concluded that a common permit scheme would be the most suitable type for the authorities in the region. A common scheme has the advantage of joint working on compilation, drafting, informal and formal consultation and mutual assistance in submission to the Secretary of State, combined with the advantage of individual objectives, specific choice of specified roads and individual fee levels. Discussions with DfT officials have, so far, been favourable.
- 4.7 The Yorkshire common permit scheme initiative was the subject of a presentation made to representatives of all of the authorities in the region in March 2009 including Director of Development Services and the Cabinet portfolio holder for highways. All authorities were asked if they would wish to take the initiative further in their area. The eventual outcome of the permit scheme implementation procedure is an application to the Secretary of State for an individual Statutory Instrument for each authority scheme. In his speech to the 'Local Transport Today' conference at The Oval, London on 20<sup>th</sup> July, Norman Baker, Parliamentary Under-Secretary of State for Transport said, "We want authorities to be free to make decisions on how best to manage their street works and, in particular, to consider permit schemes like those that have been launched in Kent and London and which clearly are delivering impressive results". This statement indicates a potential relaxing of the current Permit Scheme approval, and implementation process.
- 4.8 It is proposed that the Permit Scheme is applied to strategic and "traffic sensitive" routes within the City and Yorkshire. A list of all traffic sensitive routes in Sheffield is included as Appendix A. On other streets the existing noticing procedure will be retained. The cost benefit analysis confirms that this approach is appropriate to the Yorkshire road network. This scheme strategy is similar to that used in the Kent permit scheme and has found favour with DfT officials.

### Costs and Benefits

- 4.9 One of the required steps in deciding whether to proceed with a permit scheme in an authority area, (prior to an application), is the production of a robust cost benefit analysis. All of the four South Yorkshire authorities, together with Leeds City Council and Kirklees MBC have taken the initiative to the next stage. All six authorities have now had a full cost benefit analysis carried out to give an individual appraisal to each authority, using common principles and methodology. That work has been carried out by engineering consultants WSP, who were selected from a short list of potential consultants and who carried out much of the work on the successful Northamptonshire scheme. Bradford City Council have carried out their own cost benefit analysis and are considering their options.
- 4.10 The permit fees are determined by a calculation based on a DfT matrix, which aggregates all the time which authority officers need to spend on determining a work promoter's permit application. Fees will be a significant part of the scheme for utility companies and as such the subject of possible challenge.
- 4.11 The cost-benefit calculation for a Sheffield permit scheme gives a positive rate of return with the benefits double the cost (a figure of 2.1). This ratio uses the total fee charges for a recent typical years' worth of utility works on the roads which would be subject to a permit scheme, calculated by the Council's Highway Coordination team, using the DfT's fee matrix. Officers have worked jointly with the other authorities involved, to ensure a consistent approach to the fee calculation matrix and all of the assumptions and estimates have been recorded for future potential justification and possible DfT or utility company scrutiny.
- 4.12 There is no Permit fee for a highway authority's own works permits. Council works have to be assessed and controlled in the same manner as utility works and are subject to the same set of rules. This has to be done to demonstrate parity of treatment between utility companies and the Council. Parity of treatment is one of the most significant of the intervention criteria' which the Traffic Management Act introduced and which were subsequently brought failure to meet the criteria can involve the significant cost to an authority of the appointment of a DfT 'Traffic Director', to take over 'any' of the functions of the authority. This function will be undertaken by staff no longer dealing with NRSWA noticing.

### Timescales

- 4.13 The Yorkshire joint officer group has developed and updated a project timeline as work on the common permit scheme has progressed. Factors such as the availability of a Government Minister to sign the final Order can influence the implementation date and have been taken into account.
- 4.14 The remaining stages to implement a permit scheme include:
- Approval from each authority to proceed – end October 2010
  - Formal consultation – 3 months to the end January 2011
  - Highways Committee to consider outcome of the consultation – February 2011
  - Amendments to scheme following consultation comments – by the end February 2011
  - Submission for consideration by DfT – March 2011 (minimum 3 months)
  - Discussion with DfT/Amendments to scheme – August 2011

- Order signing by the Secretary of State
- 2 month set up period – Implementation October 2011

October represents the earliest possible implementation date. This will be around the start date of the PFI Contract.

#### Consultation

- 4.15 The next step towards the potential implementation of a permit scheme is to carry out a formal consultation on the scheme document and all its proposals, fees and procedures, as set down in the DfT Regulations. There is a long DfT list of required stakeholder consultees and the Authority is also required to make an open invitation for people generally to indicate whether they wish to be included as consultees. The method of doing this has yet to be decided by the Yorkshire Permit Scheme consultation group.
- 4.16 The Yorkshire permit group officers have devised a consultation methodology which will utilise a 'data room' to which all registered and specifically included consultees will have password protected access via the internet. The consultation web site will be hosted by Doncaster Metropolitan Borough Council and the scheme documents for each of the authorities proceeding to the next stage will be included, but separately identified. Any comments or objections which are made by any of the consultees will be viewable by all others who have access to the site, so that anyone can reiterate or disagree with comments made, almost in the form of a discussion forum. The intention is that amendments can be made to the scheme documentation live, during the three month consultation period, if an issue is accepted. The officer group will monitor the comments made on a weekly basis, to determine whether amendments might be required. At the end of the consultation period, the time needed to finalise the documentation, ready for a submission to the Secretary of State, can thus be reduced.
- 4.17 If any of the consultees wish to make private comments or objections, that requirement can be accommodated by separate means, which will be made clear to all consultees. A list of statutory consultees is set out in Appendix B.

#### Application to the Secretary of State for Transport

- 4.18 The DfT officials require a minimum period of 3 months to vet the proposed scheme and give comments back to the applicant authority. That period does not start until they are content that they have all of the required documentation and that all the laid down procedures for the consultation have been properly adhered to. Officers have discussed the consultation proposal with the DfT official who deals with permit schemes and he has accepted the methodology.
- 4.19 In order to build in some flexibility, the timeline allows four months for DfT consideration of the scheme. When DfT officials are happy that the Order can be made, an implementation date is agreed with the authority, for incorporation in the signed Order. There is a minimum period of one month between Order making and the implementation date, so that all works promoters can prepare their noticing system software for the changeover. In practice the authority will require longer than one month for recruitment and system preparation.

#### Resources/Financial Implications

- 4.20 The DfT permit fee calculation matrix includes a validation check to determine the number of officers required to work on permit applications and permit conditions vetting for the authority. Only the additional staff required for dealing with utility works permits can be funded from the permit fees. The additional staff needed to deal with own works permits should be funded by the authority. The DfT require fee level and scheme cost audits, to verify that all fee income is needed, and used, to administer the scheme. Cost of setting up the permit scheme can be recouped from permit charge income.
- 4.21 The City Council will require four additional full time staff to run the permit scheme for utilities. These staff will be funded by Permit fees paid by utility companies.
- 4.22 To date, all the preparation work on this proposal has been carried out by officers in the Council's Traffic Section, additional to their day to day duties, much of it in their own time. One of those officers has now left the Council and the other one has moved up to a higher management position. For the project to progress it will be necessary to bring it onto a properly resourced footing, with appropriate funding, to ensure that it now moves forward in accordance with the timeline and DfT requirements. It is proposed to initially cover an additional staff resource to undertake the consultation. This will be funded from the Traffic Section revenue budget.

#### Equality Implications

- 4.23 An Equality Impact Assessment has been undertaken and concludes that the proposal will be of universal positive benefit to all, regardless of age, race, disability, sex, religion, sexual orientation, etc. No negative impacts were identified.

### **5.0 ALTERNATIVES CONSIDERED**

- 5.1 The current Noticing system could continue. However, this would not cope with the demands of the Highways PFI project. The permit scheme could be applied to all roads. However the cost benefit analysis showed there would be no benefit for it to cover the minor/estate roads. Therefore the Noticing system will continue for these roads.
- 5.2 If the Permit scheme is not in place for the start of the PFI contract it is possible that the framework of the scheme could be introduced as a requirement of the contract. This will provide a mechanism by which the Traffic Manager can approve the PFI provider's proposals.
- 5.3 A joint permit scheme could be developed. This is an aspiration for the Sheffield City Region and will be kept under review. The same approach is being adopted in Leeds.

### **6.0 REASONS FOR RECOMMENDATIONS**

- 6.1 To ensure the Permit Scheme proceeds and meets the requirement of the TMA and associated regulations.

## **7.0 RECOMMENDATIONS**

- 7.1 The statutory consultation be undertaken as outlined in paragraphs 4.15 to 4.17.
- 7.2 The outcome of the consultation is reported back to this Committee for consideration in February 2011.

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4<sup>th</sup> October 2010