

**REPORT FOR: Traffic and Road Safety
Advisory Panel**

Date of Meeting: 16th September 2010

Subject: INFORMATION REPORT
Street Works Management - London
Permit Scheme

Responsible Officer: Brendon Hills - Corporate Director
Community and Environment

Exempt: No

Enclosures: None

Section 1 – Summary and Recommendations

This report sets out details of progress being made to join the London Permit Scheme which will enable Harrow to improve the co-ordination and management of street works and activities on the highway network.

FOR INFORMATION

Section 2 – Report

Introduction

- 2.1 The introduction of the London Permit Scheme (LoPS) is intended to improve the way London Boroughs manage the impact of street works and activities on their highway networks. It is a common permit scheme that London's highway and traffic authorities have developed to comply with the provisions of the Traffic Management Act 2004 (TMA) and discharge their network management duty under the Act. The scheme has a single set of rules which each London highway authority operating the scheme applies independently to their own roads subject to the normal cross boundary liaison and co-operation.
- 2.2 Not all London Boroughs are operating the scheme currently as it is being introduced in phases. The first phase of LoPS was approved by the Secretary of State for Transport on 12th October 2009 and implemented on 11th January 2010. It is in operation in the London Boroughs of Barnet, Brent, Bromley, Camden, Ealing, Enfield, Hackney, Haringey, Hammersmith and Fulham, Hounslow, Islington, Redbridge, Wandsworth, the Royal Borough of Kensington and Chelsea, City of Westminster, City of London and by Transport for London (TfL) on their road network (red routes).
- 2.3 A second phase of implementation is planned for 2010/11 when another six or seven London Boroughs will join the scheme. It is recommended that this Council joins this second phase of the LoPS and be in a position to commence the operation of the permit scheme by the end of the financial year.
- 2.4 The adoption of LoPS by all traffic authorities in London is fully supported by the Department of Transport (DfT) and TfL.

The Permit Scheme

- 2.5 A Permit Scheme within the meaning of the TMA is a scheme which is designed to control the undertaking of specified works in specified streets in a specified area. It replaces the current "notice system" used under the New Roads and Street Works Act (NRSWA) whereby utility companies are only required to inform highway authorities of their intentions to carry out works in their areas. The Permit Scheme will continue to use similar concepts to the noticing system in a number of key areas, such as road categories and works categories to ensure consistency, and to facilitate better co-ordination.
- 2.6 Currently the NRSWA places a duty on highway authorities to co-ordinate works of all kinds on the highway and also places an equal duty on statutory undertakers to co-operate in this process. The TMA and the associated Regulations widen the NRSWA coordination duty to include other prescribed activities that involve temporary occupation or use of

road space and Council works so that all activities on the network are included within the scope of a Permit Scheme.

2.7 All traffic authorities, including those in the London Permit Scheme, have a Network Management Duty specified under the TMA which, in conjunction with the duty to co-ordinate under the NRSWA, requires that they manage their road network so far as may be reasonably practicable to the following objectives:

- securing the expeditious movement of traffic on the authority's own road network and,
- facilitating the expeditious movement of traffic on road networks for which another authority is the traffic authority.

2.8 The LoPS has been prepared in accordance with the statutory duties in the TMA and the objectives are to:

- Provide an environment to help each of the Permit Authorities operating the LoPS to meet their network management duty,
- Support those seeking to minimise disruption and inconvenience across London by encouraging good practices, mutual and collaborative working arrangements and a focus on co-ordination and getting it right,
- Encourage a high emphasis on safety for everyone including site operatives and all other road users with special emphasis on people with disabilities,
- Encourage a sharing of knowledge and methodology across the industries working within the London Permit Scheme,
- Emphasise the need to minimise damage to the structure of the highway and all apparatus contained therein,
- Provide a common framework for all activity promoters who need to carry out their works in London,
- Treat all activities covered by the scheme and activity promoters on an equal basis.

2.9 The impact of the scheme will be to require that any works promoter who wishes to carry out any registerable activity in a road or street must obtain a Permit from the relevant Permit Authority operating the LoPS first. The Permit allows the promoter to carry out the specified activity and will set out the location, start and finish dates, duration and any specific conditions that may be required. The LoPS does not apply to work promoters that are not statutory authorities (eg developers, building firms and domestic drainage companies) and in these cases street works will continue to be applied for through an application for a Street Works Licence under section 50 of NRSWA.

- 2.10 One of the key principles of permit schemes is that undertaker's activities are carried out on an equal basis. The present regulations provide for Permit Schemes to include street works by statutory undertakers and highway authority works such as routine and structural maintenance, drainage and traffic schemes. In short local authority works promoters have to apply for permits in exactly the same way as statutory undertakers and would be subject to the same conditions attached to a permit being approved to undertake works.
- 2.11 In accordance with the provisions of the TMA permit authorities will have the power to charge a fee for the issue of a Permit or a Provisional Advance Authorisation and on each occasion on which there is a variation to a Permit or its conditions. The purpose of levying charges under LoPS is only to allow permit authorities to cover its costs in running the Permit Scheme. Permit authorities are not expected to generate surplus revenue and that is not in the spirit of the legislation. Applications for Permit Schemes to the DfT are scrutinised in this regard and have to demonstrate that the fee levels proposed reflect the operating costs of the scheme. This has already been undertaken as a part of the first phase of LoPS and will be reassessed as a part of the phase two application.
- 2.12 Although no permit fees will be charged for applications to execute works on the highway network by local authorities own works promoters, they must have a process and resource in place that will enable them to apply for permits within the correct timescales for the relevant works they are promoting. This aspect of impartiality is important to the successful operation of the Network Management Team so they can focus on maintaining the network management duty imposed under the TMA.
- 2.13 The LoPS recognises the importance of sharing road space between works promoters as well as trench sharing in order to minimise disruption and delay to traffic. Where several promoters intend to work together within the same site and submit applications at the same time, permits, although being part of the scheme, will not attract a permit fee in order to encourage joint working. However it must be noted that if any of those promoters then fail to work together the permit may be revoked, taking into account the circumstances and new permits may be required. It is the intention of LoPS to encourage better planning of works by works promoters, thereby reducing the impact on congestion caused by road works and help to reduce the level of vehicle emissions and improve air quality.
- 2.14 Research carried out by TfL with the London Boroughs that have already entered into the first phase of implementation has demonstrated that the LoPS was a viable alternative to the NRSWA noticing regime for managing works on the highway and has helped to minimise congestion from works and improve network performance. A cost benefit analysis is used to assess performance and is part of the original assessment made by DfT to justify approving the scheme.

Consultation and implementation of LoPS

- 2.15 Part 3 of TMA introduced new powers that allow local traffic authorities to apply to the Secretary of State for Transport to run a Permit Scheme for the management of Street Works and Road Works and to replace the current process of notifications under NRSWA. Part 2 of the Act requires a full statutory consultation to be undertaken as required in the Traffic Management Act Permit Schemes (England) Regulations 2007.
- 2.16 As a part of phase one of LoPS consultation with statutory undertakers and works promoters was undertaken and approval subsequently granted by the DfT for the scheme as required by legislation. A similar exercise will be required to widen the scheme across London for phase two. The operating conditions of the scheme, however, will be the same as phase one as this is a common scheme.
- 2.17 A consultation on behalf of the second tranche boroughs is being organised by the lead London Borough Hammersmith & Fulham. This consultation is programmed to commence in mid August and will be open for three months. The consultation is primarily aimed at highway authorities, utility companies and their regulators but responses are welcomed from any party with an interest.
- 2.18 When the consultation process is complete and the responses considered, the Permit Scheme will be put into its final form for submission to the Secretary of State for consideration. A cost benefit analysis, validated by TfL, will also be provided. The Secretary of State may then approve the scheme with or without modifications and it will be given effect by a Statutory Order. This authorisation process will take up to 10 weeks to complete.
- 2.19 Once this is done all activity promoters within the relevant LoPS Permit Authority's areas and all those consulted on the proposed scheme will be provided with four weeks notice of when the scheme will take effect. The Permit Authority would then provide details of the scheme and any transitional arrangements including any practical steps needed to ease the transition.
- 2.20 Cabinet will receive a report in November with a recommendation to proceed with introducing a permit scheme in Harrow. This will allow feedback from the consultation to be made available and to seek the necessary approval before commencing with the application to the Secretary of State.
- 2.21 Although there are no specific risks associated with adopting the LoPS it should be noted that if a Permit Authority wishes to cease running a permit scheme, they must first consult all interested parties and then apply to the Secretary of State to revoke the scheme. It is not possible for the Permit Authority to discontinue a permit scheme and re-establish a notice system in their area without the approval of the Secretary of State.

Section 3 – Further Information

- 3.1. The purpose of this report is to advise the Panel about the London Permit Scheme and the current status of Harrow's application to join the second phase of implementation. A further report will be brought to Cabinet in November 2010 to seek formal approval to proceed with introducing a permit scheme.

Section 4 – Financial Implications

- 4.1. An assessment of the cost of running the scheme in Harrow has been undertaken. A standard permit fee matrix is used by the London Boroughs to estimate the overall operating costs which include employee costs, overheads, information technology, infrastructure and maintenance costs. The income from permits would match the operating costs to make this a self financing scheme. The figures are calculated by taking the existing number of notices and various works types in a previous year and costing this against current staffing levels. This involves estimating the time to complete the various tasks necessary to assess different types of permit application including reviewing any relevant conditions to be included on the requested permit with additional on costs factored in. The calculations in the permit fee matrix have identified the need for an additional 3 staff to operate a permit scheme effectively in Harrow.
- 4.2. Initial start up costs would be incurred prior to operating LoPS which will involve staff training and setting up of computer systems and infrastructure. However these costs are expected to be small and could be absorbed within existing revenue budgets. These would in effect be a one off setup cost. The costs of the additional three staff required to operate the scheme would be met from the additional income generated by the permit scheme. Staff would be recruited via the Council's contract partner Enterprise Mouchel.
- 4.3. In order to satisfy the Secretary of State for Transport that the benefits outweigh the costs of operating LoPS, a detailed cost benefit analysis (CoBA) is prepared for each local authority. Harrow has submitted the relevant information to TfL, who are completing CoBA on behalf of all London Authorities wanting to adopt LoPS.
- 4.4. It should be noted that the income from operating the Permit Scheme is in addition to the current income generated in the delivery of other statutory functions under NRSWA. Permit Fees would be invoiced on a monthly basis following completion of the works activity. Monies generated from statutory undertaker permit fees could not be used directly to cover the costs incurred in issuing permits for local authorities own works.
- 4.5. An ongoing, but uncompleted, review of the operation of the first phase permit authorities has indicated that the income figure in the matrix is unrealistic. When taking account of the effect of the recession (smaller budgets for works and less works activity) and improved compliance with

notice requirements under the new regime (fewer permit applications comparatively than NRSWA notices) and the fact that charges can only be made when permits are issued (e.g. successful applications) then a safe level of income would be £340,000. Even at this level the income projected in conjunction with other income received (mentioned at 4.4) would allow the Network Management team to release some revenue budget as savings. This could be in the region of £230,000. A more detailed assessment will be provided to Cabinet in November.

Section 5 – Corporate Priorities

- 5.1. The London Permit Scheme accords with our three corporate priorities to deliver cleaner and safer streets, build stronger communities and improve support for vulnerable people.

Section 6 - Statutory Officer Clearance

Name: Kanta Hirani	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 16 th August 2010		

Section 7 - Contact Details and Background Papers

Contact:

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Background Papers:

Traffic Management Act 2004