

REPORT FOR: CABINET

Date of Meeting: 18 November 2010

Subject: Street Works Management - London Permit Scheme and Fixed Penalty Notices

Key Decision: Yes
(it affects all wards and more than 100K of the revenue budget)

Responsible Officer: Brendon Hills, Corporate Director Community and Environment

Portfolio Holder: Councillor Phillip O'Dell, Portfolio Holder for Environment and Community Safety

Exempt: No

Decision subject to Call-in: Yes

Enclosures: Appendix A – LoPS Permit Fee matrix
Appendix B – LoPS impact on network team
Appendix C – Policy for the issuing of Fixed Penalty Notices for Street Works Noticing Offences

Section 1 – Summary and Recommendations

This report regards the management of street works and sets out the rationale for Harrow joining the London Permit Scheme (LoPS) and being able to issue fixed penalty notices (FPNs). Joining LoPS will enable greater control and regulation over street works and allow the Council's network management team to be self financing through the generation of income from permits in order have sufficient resource to operate the scheme. The issue of FPNs will allow street works noticing offences to be effectively enforced and improve coordination and a policy to regulate their use is set out.

Recommendations:

Cabinet is requested to:

1. Agree to join the London Permit Scheme subject to a successful consultation outcome by the lead London Borough (Hammermith & Fulham) and a successful application to the Department for Transport,
2. Delegate authority to the Divisional Director, Environmental Services to take all actions necessary to implement the London Permit Scheme and to vary permit fees to ensure that the fee income does not exceed the operating cost of the scheme,
3. Agree to the use of Fixed Penalty Notices to enforce existing street works noticing offences and improve coordination between works promoters subject to adoption of the Policy for operation of the scheme,
4. Approve for consultation the Policy for the issuing of Fixed Penalty Notices for Street Works Noticing Offences shown in appendix C and delegate authority to the Portfolio Holder for Environment and Community Safety to consider the results of consultation and adopt the Policy.
5. Note the recruitment of three additional staff in the network management team to operate the London Permit Scheme.

Reason: (For recommendation)

The London Permit Scheme and use of Fixed Penalty Notices will give greater controls to Harrow to manage street works on its road network and thereby meet the requirements of the Network Management Duty imposed on it by the Traffic Management Act 2004.

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 up to another eight 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

Options considered

- 2.5 The current regime for regulating street works uses powers contained within the New Roads and Street works Act 1991 (NRSWA). This requires statutory authorities and local authorities to give notice of their intention to undertake works to each other and also a responsibility to coordinate works. However, in practice there are limited controls available under this legislation for the local authority to control the co-ordination of road works. The introduction of the Traffic Management Act 2004 (TMA) was intended to give more powers to local authorities to do this and has provided a range of different measures which includes permit schemes and fixed penalty notices.
- 2.6 There are only two options available. To continue with the existing regime under NRSWA or to take advantage of the new powers to introduce a permit scheme and FPNs under the TMA. This report proposes that a permit scheme and FPNs be introduced as this is the

only way of making any significant improvement that will contribute to minimising congestion on the road network.

The London Permit Scheme (LoPS)

- 2.7 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.
- 2.8 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.
- 2.9 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.

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.

2.10 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 (e.g. 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.

2.11 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 would 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.

2.12 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.

2.13 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.

- 2.14 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.
- 2.15 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.

LoPS consultation and implementation

- 2.16 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.
- 2.17 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 in accordance with current 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.
- 2.18 A consultation on behalf of the second tranche boroughs is being organised by the lead London Borough Hammersmith & Fulham. This consultation commenced 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. The list of consultees and the scope of the scheme will be exactly the same as the initial consultation undertaken with phase one and so there is a very low expectation of any issues arising. If any significant issues are raised during the consultation and delay the implementation of the scheme they will be reported to Cabinet for further consideration.

- 2.19 Subject to the consultation process being completed satisfactorily the Permit Scheme will be put into its final form for submission to the Secretary of State for consideration. The completed 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.
- 2.20 When DfT give approval all activity promoters within the relevant LoPS Permit Authority areas and all those consulted on the proposed scheme will be provided with four weeks notice of the operational start date of the scheme. The Permit Authority would then provide details of the scheme and any transitional arrangements including any practical steps needed to ease the transition.
- 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.
- 2.22 Cabinet are recommended to agree to joining LoPS subject to a satisfactory consultation outcome and approval from DfT being granted.

Fixed Penalty Notices (FPNs)

- 2.23 In addition to joining the LoPS scheme it is also proposed to introduce fixed penalty notices in order to regulate compliance with street works noticing requirements under NRSWA. Whilst the introduction of LoPS will replace a large number of the notices currently received with permit applications some street works activity will continue under the noticing regime.
- 2.24 To effectively co-ordinate activities, it is essential that accurate and timely information is received by all parties undertaking works on the highway network. The Traffic Management Act makes provisions for dealing with works promoters that do not comply with the statutory requirement to provide notices and allows fixed penalty notices to be levied for certain offences categorised under NRSWA. FPNs will apply to all works promoters including statutory undertakers and works promoters holding street works licences.
- 2.25 The fixed penalty notice scheme is introduced by section 41 of the TMA, which inserted section 95A and schedules 4A and 4B into NRSWA. It provides for certain offences, under Part 3 of NRSWA, to become fixed penalty offences. Part 3 of NRSWA details a range of statutory duties and obligations and the offences associated with failing to comply with them. All of these can be prosecuted in the Magistrates' Court. It is for the street authority to take action on offences.

- 2.26 There are currently seven existing offences for which FPNs can be issued which cover various requirements to provide notice of specific activities or events that occur when undertaking street works such as notice of start dates, end dates, advance notice, emergency work, etc. The issue of an FPN for any of these offences allows a works promoter the opportunity to discharge any liability to prosecution under an offence specified in a fixed penalty notice by paying a set penalty fee. The penalty fee for FPNs is £120.00 and the payment period is 36 calendar days which commences on the date the FPN is issued and can be extended at the discretion of the street authority. A discounted amount of £80.00 will apply if payment is made more quickly (within 29 calendar days). If payment is not made within 36 days then the street authority may bring proceedings in the Magistrates Court for the offence specified.
- 2.27 The authority must collect the same level of evidence for an offence in order to issue an FPN as it would to bring a case to the Magistrates Court for prosecution. Failure to do this would risk the validity of the FPN. The legislation provides arrangements for statutory undertakers and holders of street works licences to make representations if it is believed that the FPN should not have been issued. However, the relevant code of practice also encourages disputes to be resolved informally in the first instance.
- 2.28 The legislation also requires that parity is shown in dealing with all works promoters including the highway authority's own works. Therefore it is recommended that shadow FPNs (no charges levied) are issued for works undertaken by or on behalf of the authority itself so that the offending rates between different works promoters can be compared.
- 2.29 Only one FPN may be issued for each notice received regardless of the number of errors. An FPN cannot be issued more than 91 calendar days after the offence has been committed. The code of practice also recommends that authorities give FPNs where they have the most benefit.
- 2.30 It is recommended that FPNs are issued using the currently approved system of electronic transfer of notice systems (ETON) and this is how the majority of notices would be transmitted. However, it is for the works promoter to decide how it wishes to receive FPNs and this could be via another format such as e-mail, fax, hand delivery or post. The highway network team currently has software with ETON capability already and there would be no setup costs involved in operating the scheme electronically.
- 2.31 It should be noted that should the authority successfully join LoPS then FPNs would not be issued for any errors in permit applications in advance of proposed works taking place because this would be dealt with by permit applications being refused instead. However FPNs could still be issued for post work offences.

- 2.32 The code of practice clearly states that the FPN regime is not intended as an additional source of income for street authorities. The street authority should therefore not expect any net proceeds. On that basis no assumptions are made about the impact any income may have on current revenue budgets.
- 2.33 To summarise there are a number of benefits from introducing FPNs as follows:
- The provision of accurate and timely data to assist in improved co-ordination
 - Improved performance by statutory undertakers in delivery of their statutory obligations
 - Introduction of monitoring processes to assess works promoters performance
 - Monies received from FPNs can be reinvested in the service and contribute towards reducing road and street works disruption
 - Improvement in quality of information received which would increase confidence in the Highway Network Team's ability to co-ordinate works effectively
 - There would be no additional setup costs to issue FPNs as the ETON facility is already built into the Council's current software package
 - An FPN policy will be adopted to clarify how it operates and how disputes are resolved

FPNs policy and implementation

- 2.34 It is important to note that there are no new requirements placed on street works promoters by FPNs as all of the offences mentioned in this report already exist under NRSWA. The FPN scheme simply introduces an alternative method of enforcement to court action and helps to facilitate better compliance from work promoters through more effective imposition of penalties for any offences committed.
- 2.35 Benchmarking with other local authorities has indicated that the adoption of an FPN policy is good practice in order to assist with administering the regime equitably and to assist with dispute resolution. The policy will mainly set out what the current legislation, regulations and codes of practice require and how it will be applied locally in Harrow. A street works FPN policy has been drafted and can be seen in Appendix C.
- 2.36 The adoption of a FPN policy will enable the street authority to improve works co-ordination by improving undertaker notice/permit application data accuracy and timeliness, therefore improving performance in street works activities and improving working relationships between noticing/permitting organisations and street authorities.
- 2.37 The Regulations place no obligation on highway authorities to consult on the introduction of the regime. It is however good practice to give advance notice to street works promoters and statutory undertakers of the commencement of FPNs. It is therefore recommended that

consultation on the draft policy is undertaken in advance of commencing the regime. It is intended that the commencement of FPNs will be coordinated with the start of LoPS which is expected to be in March/April 2011. One month's advance notice will be given of the commencement of FPNs.

- 2.38 Cabinet are asked to approve the FPN policy subject to undertaking a satisfactory consultation with statutory undertakers, holders of street works licences and road users generally. It is not expected that any significant issues would be raised during consultation as the penalties and offences involved are already rigidly defined in legislation and the adoption of similar schemes in neighbouring boroughs means the issues are generally well understood by the affected parties. The main area of consultation would involve the methods of operating the regime locally and the interaction between the council and works promoters.
- 2.39 It is recommended that the consideration of the results of consultation and adoption of the policy is delegated to the Portfolio Holder for Environment and Community Safety.

Financial Implications

- 2.40 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, operational costs and overheads. The income from permits would match the overall operating costs to make this a self financing scheme and comply with the Permit Fees Guidance (July 2008).
- 2.41 The figures are calculated by taking historical information about the number of works notices and various works types, details of staff salaries for different roles and estimating the time to complete the various tasks necessary to assess different types of permit application. This includes reviewing any relevant conditions to be included on the requested permit. The calculations in the permit fee matrix have identified the need for six staff to operate a permit scheme in Harrow (see Appendix A). Currently there are three staff employed in the Network Management Team specifically dedicated to managing works notifications and so an additional three staff will be needed to operate LoPS.
- 2.42 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 either the Council's contract partner Enterprise Mouchel or through agency staff via the Council's technical recruitment partner Matrix.

- 2.43 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 joining local authority. Harrow has submitted the relevant information to TfL, who are completing CoBA on behalf of all London Authorities wanting to adopt LoPS. An undertaking will also be entered into by each joining authority with the DfT in order to ensure that the fee income does not exceed the operating costs. This requires that the prescribed costs of operating the scheme are evaluated within 6 months of the start of the permit scheme and on an annual basis thereafter. It is necessary to demonstrate that the scheme is self financing and also that it does not generate profit. Cabinet are therefore asked to delegate authority to the Divisional Director, Environmental Services to vary fees in order to comply with this requirement.
- 2.44 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.
- 2.45 The calculations in the permit fee matrix are standardised and consistent with phase 1 authorities representing the operational capacity of the scheme during more stable economic conditions. However, given the current economic climate an initial assessment of the performance of the first phase permit authorities was undertaken by the network team and this has indicated that the income set out in the matrix will initially be at about 50% of that predicted. This is because of the effect of the recession which has resulted in less works activity by statutory undertakers, improved compliance with notice requirements, fewer permit applications comparatively than NRSWA notices, and the fact that charges can only be made when permits are issued (e.g. successful applications).
- 2.46 Appendix B provides details of the impact of LoPS on Harrow's network team. At a 50% level the predicted annual income initially is estimated as £340,000 with the expectation that this will increase in future years when the economic conditions stabilise and improve. The income projected will still have a positive impact by reducing pressure on the revenue budget and allowing the team to move towards a self financing state.

Performance Issues

- 2.47 This scheme would affect the national performance indicator which monitors traffic congestion (NI167) which measures the average person journey time in minutes and seconds per mile within a local authority. The information for NI167 is produced by TfL using journey time information from DfT based on anonymised vehicle data from vehicles fitted with global positioning system tracking and communications equipment. The current data for Harrow shows that the average journey

time per mile in the morning peak on the core network is 2 minutes and 10 seconds in 2007/08. The production of data takes a lengthy period of time to become available and to be evaluated so this is the only year for which data is available so far.

- 2.48 The impact of LoPS would have a beneficial impact on the levels of congestion indicated by NI167 through reducing disruption caused by road works on the network, particularly at peak periods of traffic flow on traffic sensitive streets.
- 2.49 A reduction in the journey time would indicate improving performance. However, it should be noted that there are many other factors affecting traffic flow on the network and the introduction of LoPS in isolation will not guarantee a reduction in journey times. In the wider context population growth and economic growth will place increasing demands on the network through traffic generation and greater vehicle ownership which means that the improvement in journey times will also rely on a fundamental shift in travel modes, particularly sustainable transport as set out in the Council's transport Local implementation Plan.

Environmental Impact

- 2.50 A negative consequence of increasing road congestion is that it damages the environment. The main consequences are the impacts on air quality through the emission of greenhouse gases and the waste of valuable energy resources from vehicles waiting in traffic queues. Whilst the primary cause of this problem is the increasing number of road journeys by private vehicles causing the demand to travel to exceed the road network capacity at peak times of the day, the occurrence of works on the network exacerbates this by restricting the available capacity.
- 2.51 The LoPS scheme will have a positive impact on these environmental issues by minimising any loss of network capacity caused by street works in order to reduce the occurrence of congestion. This will be achieved by improved coordination between works promoters, better planning of works, placing conditions on how and when works take place and improved enforcement.

Risk Management Implications

- 2.52 There are no significant risks associated with the operation of the scheme. LoPS will simply provide greater powers to manage street works on the road network and to mitigate any potential problems with congestion. The issue of permits and FPNs will use electronic systems (EToN) which are already established and in operation currently by Harrow and works promoters generally.
- 2.53 The only financial risk is whether the level of annual income predicted will be realised in order to support the operation of the network management team. As previously stated in the report a benchmarking exercise of phase one LoPS authorities has been undertaken to

establish what a safe level of income in the revenue budget for the initial year of operation is compared with the fee matrix prediction and this is explained in sections 2.40 – 2.46 and Appendices A and B. The level of income will be reviewed annually.

2.54 Risk included on Directorate risk register? No.

2.55 Separate risk register in place? No.

Equalities implications

2.56 The LoPS is an existing scheme in operation which is made under powers in the TMA and associated regulations that has already been subject to an assessment of its impact on equalities during the legislation making process which included extensive consultation nationally. The highway and traffic authorities in London, to which the LoPS applies have also had regard to the requirements of Section 49A of the Disability Discrimination Act 1995 compliance with which requires performance of the Disability Equality Duty. Harrow, as a LoPS phase two joining authority are therefore just accepting the commonly agreed operating principles and rules of the existing scheme which cannot be varied between boroughs. An equality impact assessment was therefore not required.

2.57 The introduction of LoPS will not change the basic principles of street works regulation on road users but it will introduce charges for statutory undertakers wanting to undertake works. The charging regime is for the purpose of recovering the cost of the network management service in order to allow sufficient resource to operate the permit scheme effectively. This will only affect statutory undertakers and equally charges them for the service they receive.

2.58 The main equality group affected by the impact of road works are the visually and mobility impaired (disability) due to the physical changes to the street environment during works. Specific and careful consideration has been given in developing the LoPS to reflect the needs of pedestrians and motorists with disabilities. There has been wide ranging consultation with a number of groups well placed to assist on issues arising which concern, in particular, those with disabilities including The Disabled Persons Transport Advisory Committee and The Guide Dogs for the Blind Association.

2.59 A positive aspect of the use of permits is that any specific conditions relating to work on the highway can be stipulated on the permit and require works promoters to implement any measures needed to ensure adequate safety and access for road users, particularly vulnerable road users. This will allow more effective enforcement of works and improvements for vulnerable road users.

2.60 The FPN policy sets out how the enforcement regime will operate in Harrow and is a new policy. It should be noted that the prescribed noticing offences, financial penalties and the actual process for issuing

an FPN detailed in the policy are prescriptive and are as set out in TMA legislation and the associated regulations.

2.61 An equality impact assessment (EqIA) has been undertaken and indicated this as of low relevance at the screening stage. No adverse impact or illegal discrimination on any of the specified equality groups were identified. Some positive aspects for elderly and disabled people have been identified relating to maintaining safe and easy access to pedestrian routes on the highway network and minimising traffic congestion from unplanned and obstructive works.

2.62 At the time of writing this report the FPN Policy and completed EqIA assessment was ready to be submitted to the Departmental Equalities Task Group for consideration subject to the completion of the consultation detailed in the report.

2.63 Was an Equality Impact Assessment carried out? Yes.

Corporate Priorities

2.64 The LoPS will contribute to delivering the council's corporate priorities to "deliver cleaner and safer streets" and "improve support for vulnerable people".

Section 3 - Statutory Officer Clearance

Name: Kanta Hirani	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 4 November 2010		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 2 November 2010		

Section 4 – Performance Officer Clearance

Name: Anu Singh	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Partnership, Development and Performance
Date: 19 October 2010		

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker



on behalf of the
Divisional Director
(Environmental
Services)

Date: 13 October 2010

Section 6 - Contact Details and Background Papers

Contact:

David Eaglesham

Service Manager – Traffic & Highway Network Management

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Background Papers:

- London Permit Scheme

<http://www.londoncouncils.gov.uk/Transport/consultationsandresponses/roadworksconsultation.htm>

- Traffic Management Act 2004 and associated Regulations and Codes of Practice

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

Appendix A - London Permit Scheme – Permit Fee Matrix

The permit fee matrix information submitted to TfL

Each joining London Borough has completed a standard permit fee matrix which is used by TfL to prepare a cost benefit analysis for submission to DfT. This is a nationally agreed format which takes account of all on costs and is needed to demonstrate that the scheme is cost neutral. The data input consists of historical information about the number and type of works notices, staff salaries for different types of role and estimates of the time taken to process permit applications for LoPS. The automated calculations determine the actual operating costs of the scheme, the number of staff needed to operate it and the permit fee charges required.

Cost breakdown – Staffing and operational costs

Network team staff	Employees required	Employee costs
Street Works Officers	2.66	£235,099
Street Works Coordinators	2.93	£309,805
Traffic Managers	0.50	£75,948
Total	6.09	£620,851
Permit Application Operational Factor Costs		£49,668
Total costs		£670,520

Cost breakdown – Income from permit fees

Category 0-2 Traffic Sensitive Streets					
Activity Type	Estimated No. of Permits	Cost per Permit	Estimated No. of Permit Variations	Cost per Permit Variation	Total Cost per Activity Type
Provisional Advance Authorisation	149	£106	N/A	N/A	£15,816
Major	149	£234	30	£0	£34,808
Standard	390	£131	39	£0	£51,267
Minor	2028	£67	101	£0	£136,325
Immediate	1142	£60	57	£0	£68,467
Sub Total	3858		227		£306,146
Category 3-4 Non-Traffic Sensitive Streets					
Activity Type	Estimated No. of Permits	Cost per Permit	Estimated No. of Permit Variations	Cost per Permit Variation	Total Cost per Activity Type
Provisional Advance Authorisation	269	£75	N/A	N/A	£20,115
Major	269	£150	54	£0	£40,247
Standard	630	£76	63	£0	£48,127
Minor	4470	£47	224	£0	£208,476
Immediate	1375	£41	69	£0	£56,692
Sub Total	7013		409		£373,657
TOTAL (rounded up)					
Estimated No. of Permits	10871		Estimated No. of Permit Variations	636	Income
					£679,803

The operating costs and income prediction do not match exactly due to the way the standard spreadsheet has been set up but the variation is insignificant (within a 1% tolerance). The purpose of this information is to show to the DfT that the income generated will support the operating costs.

Appendix B – London Permit Scheme – Impact on Network Team

Initial assessment of LoPS phase 1

Following informal benchmarking with LoPS phase 1 authorities to assess their performance since January 2010 it is clear that the assumptions made in the standard permit fee matrix have not been able to take account of the current situation with the economic downturn. There are a number of reasons for this:

- less works activity by statutory undertakers due to budget restraints
- improved compliance with notice requirements under the new regime
- fewer permit applications comparatively than NRSWA notices
- charges can only be made when permits are approved and issued

It is necessary to consider that the basic assumptions in the permit fee matrix prepared represent how the scheme would operate during more stable economic conditions and are consistent with the information submitted by the phase 1 authorities. However, it is necessary to evaluate the true operational impact of the scheme at the current time. The levels of income being received by phase 1 authorities are around 50% of that suggested in their permit fee matrices and this is a good assumption to make for the start of the scheme in Harrow.

Currently the team is fully supported by revenue funds. The summary below sets out the impact of the additional income on the Highway Network Management Team and the reduction in revenue funding supporting the team that can be achieved. It is expected that as economic conditions improve the quantity of street works taking place will increase and further income will be generated to support the overall operating cost of the team.

SUMMARY - ADDITIONAL INCOME & COSTS		
Item	Income	Expenditure
Expected annual income from permits in first year	£340,000	
Annual cost of additional Network Team staff (3 no.) to operate permit scheme		£110,000
Balance - additional income to contribute to operation of network team (reduce pressure on revenue budget)	£230,000	