



### *Priorities:*

- *Health*

Reduced congestion due to reduced disruption to the network will lead to lower levels of vehicle emissions across the borough. This would be expected to improve air quality levels. A better managed network will also make sustainable travel alternatives, including walking and cycling, more attractive.

- *Economy and Skills*

One of the main objectives of operating a permit scheme is to reduce disruption on the network by better management of works proposals, influencing the worksite arrangements and controls, and thereby helping to reduce congestion. The permit scheme is also expected to encourage better works planning by the utility companies, with benefits being appreciated by customers requiring services. The Transport team has commissioned a cost benefit analysis (CBA) of the expected impacts of the permit scheme on Slough. The CBA shows predicted significant benefits equating to £48m over the next 25 years (the period of the assessment). This figure represents the benefits to the borough in terms of the value of time savings to motorists and businesses.

- *Regeneration and Environment*

The permit scheme will lead to better planning of works, better protection of the borough's assets, reduced impact on both the green and built environments, and less overall disruption.

- *Housing*

Better management of the road network will help enhance the essential link between transport and land use planning.

- *Safer Communities*

The permit scheme will increase the Council's ability to obligate all works promoters to maintain and improve safety at work sites and thereby to reduce the likelihood of road traffic accidents.

### *Cross-Cutting themes:*

Residents are encouraged to report any problems with road works or street works, likely to relate to accessibility, road safety, or journey experience. In particular, reports of sites not displaying valid permit numbers will be helpful.

The permit scheme will improve the control and coordination of road works. This will mean reduced congestion, fewer disruptions and overall a more efficient network. This will make the town a more attractive place in which to live and to conduct business.

## 4 **Other Implications**

### (a) Financial

Permit Schemes are required to be self-funding and cost neutral (i.e. the income from permit fees must cover the operational costs of running the scheme). The

scheme is not allowed to generate an excess level of surplus income. Any relatively minor level of income will be reinvested to further improve the road network.

The Council will apply a schedule of permit fees (see appendix D). The schedule complies with DfT guidelines and limits, and has been prepared using a DfT approved calculation matrix. The schedule will be regularly reviewed to ensure the scheme remains cost neutral.

The introduction of the permit scheme could result in a reduction in revenue burden on the authority, ensuring that all relevant costs are kept to a minimum. This will cover staff salaries for those officers who are actively engaged in operating the permit scheme. Efficiency savings are expected to arise from implementing the permit scheme within the wider context of the reorganisation of Transport and Highways. This will enable the combined service area to streamline all related processes and to take advantage of existing resources.

A number of start up costs will be incurred in launching the permit scheme. This includes costs for the development of the application to the Department for Transport, recruitment and training, computer system enhancements, and related administration. These costs will be funded from the Transport revenue budget. The overall total starts up costs for joining the SEPS common scheme are significantly lower than the costs would be for developing a new scheme from scratch, since we are using or cloning documents wherever appropriate, including the SEPS main permit document.

**(b) Risk Management**

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
<p><i>Legal</i></p> <p>Risk of being challenged by the utility companies on the application of permit scheme conditions.</p> <p>However, failure to implement the scheme before the start of 2015/16 would result in uncertainty about the legal implications relating to any new scheme.</p>	<p>Formal approval to operate the scheme is being sought from the Department for Transport. Their approval will give the permit scheme the required confirmation of legality and suitability for purpose.</p> <p>SBC is following DfT advice to apply the industry agreed HAUC (Highways and Utility Company) conditions.</p> <p>All local authority applicants are required to go through the same process. Furthermore, SEPS is already in operation in other local authorities, hence this risk has already been reduced.</p>	<p>Ongoing enhancement of relationships with works promoters (particularly the utility companies). Cooperation between local highway authorities and works promoters is generally a well observed requirement by all parties concerned.</p>

	A formal consultation with all network stakeholders took place from May 30 <sup>th</sup> to July 11 <sup>th</sup> 2014.	
<i>Property</i>	None	Highway assets likely to be better preserved via improved works planning.
<i>Human Rights</i>	None	None
<i>Health and Safety</i>	None	All relevant industry health and safety regulations apply. Road works site safety expected to be improved by enhanced application of procedures.
<i>Employment Issues</i>  Risk of failing to recruit or reassign the required level of staffing numbers and expertise to start operating the scheme in time.	Staffing requirements are being addressed in the project. Any training and recruitment will be covered during the roll out and training period between approval from the DfT and start up.	This will be addressed within the reorganisation of Highways and Transport services.
<i>Equalities Issues</i>	No significant detrimental impacts on any particular group. See the attached E.I.A. report.	Better works site management expected to improve accessibility for vulnerable users of the network.
<i>Community Support</i>	None	None
<i>Communications</i>	None	Member of the public will be able to report works sites where no permit number is displayed. There will also be an opportunity for enhanced works and traffic related information to be conveyed to the SBC Communications team by Network Management.
<i>Community Safety</i>	None	None
<i>Financial</i> Risk of failing to generate the expected levels of income from permit fees and other related network management sources.	The expected income total is based on a thorough analysis of works numbers for an average year. (The number of works invariably rises each year).	There is an opportunity (and a requirement) to review permit fees on a regular basis. Fees can be adjusted up or down in order to ensure the scheme is cost neutral.

<p>Risk of failing to deliver the predicted benefits to the Borough over 25 years.</p>	<p>A full income and cost analysis has been carried out by Halcrow, based on figures provided by SBC.</p> <p>All of the above has been subject to a 'sanity test' and compared with figures from neighbouring local authorities.</p> <p>A thorough Cost Benefit Analysis has been produced for SBC by Halcrow. This is based on traffic data provided by SBC.</p>	
<p><i>Timetable for delivery</i></p> <p>Risk of failing to secure approval from the DfT in time to start before 2015/16</p>	<p>SBC has engaged in extensive discussions with both the DfT and neighbouring local authorities to ensure that we will meet the formal requirements.</p> <p>We have also procured the services of Halcrow consultants, to ensure that SBC's application is valid and complete.</p>	
<p><i>Project Capacity</i></p>	<p>The permit scheme scale and scope are standard and in line with neighbouring authorities already operating a scheme.</p>	
<p><i>Other</i></p>	<p>None</p>	<p>None</p>

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act Implications.

Legal

Permit schemes were introduced by the Department for Transport in part 3 of the Traffic Management Act 2004 (TMA). In joining SEPS, Slough will be operating a common scheme that is fully compliant with this legislation, and is already in operation in neighbouring authorities. Moreover, the scheme for Slough will be covered by a new statutory instrument, similar to those in force in neighbouring authorities, but specific to the needs of Slough.

Although Highway Authorities are not obliged to introduce a Permit Scheme, if they do the legislation requires permits to be issued for all works on the highway that involve excavation, whether they are road works undertaken by their own contractors or SUs street works. This means that utility works and works promoted by this Council will be treated in exactly the same way in terms of coordination and setting conditions. Operation of a permit scheme does not reduce the Council's opportunity to apply charges for non compliance to Statutory Undertakers, such as over running works or defective reinstatements. The scheme introduces potential additional non compliance charges, such as breaching the conditions of a permit, however such income is dependent upon Statutory Undertaker performance and can be subject to fluctuation.

In order to operate a permit scheme the Council must apply to the Department of Transport to do so. The permit scheme will then be established by an individual order in the form of a statutory instrument.

(d) Equalities Impact Assessment

Included as a separate document along with this report

A copy of the EIA was sent to both Democratic Services and the Equalities Departments on 10<sup>th</sup> June 2014.

In summary, the expectation is that there will be no negative impacts for any specific group. Positive impacts are expected in terms of reduced congestion and better accessibility. Groups likely to benefit will be people with mobility difficulties, the elderly, children, and parents with prams, since footways and cycle routes will be less disrupted, due to better control of works.

Although motorists and commuters do not count as protected groups in EIA terms, reduced congestion will be of benefit to all travellers, and particularly those who rely on a clear network to support their business needs.

(e) Workforce

The introduction of a permit scheme will allow the Council to reorganise the way in which it delivers a number of key areas of network management within Transport and Highways and improved monitoring, co-ordination of works on the highway.

Decisions are yet to be made on the details. All options will be considered, but it is known that a number of new or revised roles will be necessary, and some recruitment may be necessary. In compliance with the need to keep the scheme 'cost neutral',

the number of staff involved will be determined by the calculated number of posts required to operate the scheme.

## 5 Supporting Information

5.1. The Traffic Management Act (2004) provides local highway authorities with the facility to operate a permit scheme. Permit schemes are intended to facilitate greater control of all works activities on the road network to minimise disruption, and to help in maintaining the expeditious movement of traffic on the network and across

boundaries with neighbouring authorities. Permit schemes are required to complement and to help deliver the local authority's wider objectives. They are also expected to be the most advantageous way to delivery the relevant requirements.

5.2. Permit schemes are expected to enhance the existing relationships between the authority and works promoters, replacing the standard noticing system regulated via the New Road and Streetworks Act (NRSWA). The main difference is that a permit scheme obliges works promoters to request permission to work in any given street at any given time, whereas NRSWA noticing is based on notifications of intention to work.

5.3. Under a permit scheme 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 a scheme 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 permit scheme 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.

5.4. The NRSWA requires highway authorities to administer the works notification system at their own expense, with charges only being applied for inspections, defective reinstatements or over-running works. Although permit schemes are not intended to generate revenue for highway authorities, they are expected to cover their reasonable costs incurred in running the scheme through charging a permit fee. The regulations outline the maximum level at which an authority can set their fees and fees will only apply to utility works. Fees cannot be charged for issuing a permit for a highway authority's own works, neither can the costs involved in issuing these permits be off-set against the fee income.

5.5. Authorities are required to complete the DfT's 'Permit Fee Matrix' as part of the formal submission of the scheme to the DfT, to calculate the level of each category of permit fee. This 'matrix' is a complex spreadsheet which derives the permit fees using: staff costs, a 'man hours' calculation of the officer time required to complete the additional scrutiny required to operate a permit scheme, and generic percentage rates to cover other operational costs applied to scheme. As a part of the approval being sought, authority is also being sought to implement the charging scheme that accords with the fee matrix.

5.6. A requirement of operating a permit scheme for street works is that the scheme should be cost neutral. It is a requirement that annual financial reviews of the scheme are completed, comparing permit fee income against operating costs. Any year-on-year imbalance should be redressed by either increases or reductions in the level of permit fees levied in the subsequent year, as required. Any surplus generated through the permit scheme or associated cost centres will be reinvested to enable the Council to meet its obligation to secure as far as is reasonably practicable the expeditious movement of traffic.

5.7. Permit schemes have been introduced in all London boroughs, at Kent County Council, Buckinghamshire County Council and various other authorities across the country. Most recently, the South East Permit Scheme (SEPS), was implemented by Surrey County Council and East Sussex Council in partnership. Various types of scheme exist, including single, joint, common and cloned. SEPS is a common scheme. Common schemes require all member authorities to commit to a shared set of rules and conditions.

5.8. Before being implemented, schemes must currently be approved by the Department for Transport (DfT) and signed by the Secretary of State. This process is due to change. Any scheme not received for checking by the DfT by 1<sup>st</sup> August 2014 will be subject to approval by the local authority's own Chief Executive. All other aspects of the application remain the same. Hence the preparation of the scheme would be no less arduous.

5.9. The current DfT approval process is well established and accepted by the statutory undertakers. The new system is untried and is likely to be challenged and to involve a much more drawn out process. This would represent a risk to the Council financially in terms of investment in a new process and in terms of network control.

5.10. Prior to introduction of a permit scheme a full statutory consultation must be undertaken as required in the Traffic Management Act Permit Schemes (England) Regulations 2007. A six week formal consultation on the proposal has been held by the Transport team, from May 30<sup>th</sup> to July 11<sup>th</sup>. The consultation sought the views of all interested parties, including (but not limited to) the statutory works promoters (utility companies), public transport companies, the emergency services, and neighbouring local authorities. Six responses have been received. A low response rate was to be expected since the SEPS is an established scheme successfully operating in Surrey and East Sussex. No responses have required any significant changes to the SBC Transport team's proposal. Details of the comments received and the Council's responses are available in the background papers.

5.11 The project is one of the Transport Service's priorities, and appears on the project priority list presented to all Councillors in January and recently reviewed. The project scores highly in that it contributes to the delivery of several key elements of the Labour manifesto. The project is also on the Annual Work Plan for 2014-15.

## 6 **Comments of Other Committees**

The subject of permit schemes has been mentioned in the working group on traffic congestion, part of the Neighbourhoods & Community Services Scrutiny committee, but no formal proposal were made in this group.

## 7 **Conclusion**

Under the direction of Slough Borough Council's Traffic Manager, and in line with similar commitments made by SBC's neighbouring local authorities, the SBC Network Management team is satisfied that the introduction of a permit scheme will enable better management of the road network in Slough. Therefore the recommendation is to join the South East Permit Scheme (SEPS), the common scheme. To enable assessment and approval by the Department for Transport, SBC's application must be submitted before August 1<sup>st</sup> 2014.



## 8 **Appendices Attached (if any)**

'A' - Equalities Impact Assessment

'B' - Schedule of permit fees

## 9 **Background Papers**

1. Significant Decision - Permit Scheme for Road Works and Street Works, signed by Cllr. Munawar on June 13<sup>th</sup> 2014

2. Cost Benefit Analysis - Technical Memorandum by CH2M Hill (Halcrow)

3. Public Consultation – spreadsheet showing the comments received and the Council's responses. Including responses up to July 2<sup>nd</sup> (the consultation ends on July 11<sup>th</sup>).

4. DfT letter to Chief Executives of Local Authorities Proposing permit schemes, relating to changes to the assessment process and key dates for submission.

*Reference documents already in the public domain :*

5. Traffic Management Act (2004) – Part 3 – Permit Schemes  
<http://www.legislation.gov.uk/ukpga/2004/18/part/3>

6. The Traffic Management Permit Scheme (England) Regulations 2007  
<http://www.legislation.gov.uk/uksi/2007/3372/contents/made>

7. DfT - Permit Schemes - Decision-making and development (2nd Edition, 2010)

8. DfT – Additional Advice Notes - for developing and operating future Permit Schemes (2013)

9. The South East Permit Scheme for Road Works and Streetworks, the Permit Scheme. (*Main SEPS document*).

10. LTP3 - Slough's Third Local Transport Plan  
<http://static.slough.gov.uk/downloads/Third-LTP-Core-Strategy.pdf>

11. Slough Joint Wellbeing Strategy  
and Joint Strategic Needs Assessment  
<http://www.slough.gov.uk/search/?q=slough+joint+wellbeing+strategy>