



# Northumberland

## County Council

### Cabinet

**DATE:** 12 NOVEMBER 2019

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Proposed implementation of a Northumberland County Council Street Works Permit Scheme

**Report of:** Paul Jones, Service Director - Local Services

**Cabinet Member:** Cllr Glen Sanderson, Environment and Local Services

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#### **Purpose of report**

To seek approval to implement the Northumberland County Council Street Works Permit Scheme.

#### **Recommendations**

It is recommended following the successful consultation exercise that Cabinet:-

1. Approve the implementation of a permit scheme for road works and street works for Northumberland (to be known as the “Northumberland County Council Street Works Permit Scheme”) from February 2020, on the basis of the Cost Benefit Analysis Executive Summary, New Staffing Structure and scheme document attached as Appendices 1 to 3 respectively, and;
2. Delegate authority to the Service Director for Local Services to carry out the necessary operational functions required to enable the successful implementation of the new Street Works Permit Scheme from February 2020 and its on-going day to day management and administration.

#### **Link to Corporate Plan**

This report is relevant to the following priorities included in the NCC Corporate Plan 2018-2021:-

How - “We want to be efficient, open and work for everyone”  
Thriving - “We want to attract more and better jobs”

Enjoying - "We want you to love where you live"

Connecting - "We want you to have access to the things you need"

### **Key issues**

1. The County Council currently operates a street works noticing scheme to manage all road and street works undertaken on Northumberland's public highways. In July 2018 the then Secretary of State for Transport, Chris Grayling, sent a letter to all noticing authorities across the country, encouraging them to consider implementing a street works permit scheme, and highlighting his powers to direct local authorities to implement such schemes.
2. The key difference between noticing and permits is that noticing simply requires a statutory undertaker (either internal highways teams or external utility companies) to 'notify' the authority of any works that they intend to undertake, the Council then seeks to coordinate these works; however, under a permit scheme, all statutory undertakers are required to seek 'permission' to work on the highway from the Council.
3. There are no fees levied under the existing noticing scheme however under a permit scheme all works promoters (with the exception of the council's own highways) are subject to fees for each permit the Council processes.
4. In order to properly resource operation of the permit scheme, additional posts need to be created within the Network Management team along with some changes to existing posts. Consultation has taken place with trade unions and staff, which have been positively received and the preparations for recruitment have commenced in anticipation of scheme approval. As a result of the scheme consultation and further dialogue with other local authorities it has been identified that an additional 1 FTE 'Network Management Support Officer' post is required to focus on data analysis and monitoring of the permit scheme to ensure its smooth implementation and effective on-going management. All additional costs in relation to the staffing changes will be met in full from the fees generated by the scheme and from within the existing staffing budget.
5. Statutory stakeholder consultation on the proposed permit scheme commenced on 24 July 2019, for a period of three months and concluded on 23 October 2019. Where appropriate, amendments have been made to the scheme documentation following consultation responses received.
6. A report was presented to the Communities and Place Overview and Scrutiny Committee on 2 October 2019. The report was positively received with universal support. The Committee did not suggest any amendments to the proposed permit scheme documentation.
7. It is planned that the proposed scheme will be implemented in February 2020.

## **Background**

In July 2018 the then Secretary of State for Transport, Chris Grayling, sent a letter to all noticing authorities across the country, encouraging them to consider implementing a street works permit scheme, and highlighting his powers to direct local authorities to implement such schemes. Northumberland County Council responded to the Secretary of State saying that we would undertake exploratory work to assess the viability of implementing a permit scheme. The initial challenge for the Council was in identifying clear benefits to this change of procedure as coordination of road and street works in the county was already executed with a high degree of rigour for both internal and external statutory undertakers.

The council's Street Works team currently manage all road and street works through a noticing scheme. The key difference between noticing and permits is that noticing simply requires a statutory undertaker (either internal highways teams or external utility companies) to 'notify' the authority of any works that they intend to undertake, however, under a permit scheme, all statutory undertakers will be required to seek 'permission' to work on Northumberland's public highways from the Council.

Northumberland's Street Works team already play a highly effective role in coordinating works on the highway through the current noticing system. The introduction of a permitting scheme however is expected to add further rigour to the coordination process, reduce works occupation of the highway to minimise disruption and ensure better information is available to the public regarding works being undertaken.

North Tyneside Council is the only North East local authority currently operating a street works permit scheme and since July 2018 Northumberland County Council has been working with the remaining 10 north east authorities on a regional framework to support the development of individual permit schemes. Whilst each authority is creating its own individual scheme, there will be elements of commonality across all of the north east schemes.

Under the existing noticing scheme, there is no charge levied to any works promoter for submitting a notice or for its administration. Under a permit scheme, utility companies are charged for the consideration of the permits they submit. Permit income received will be used to cover the cost of administering the permits submitted by the utility companies. The local authority is not charged for permits it submits for its own highway works, however, the costs for administering these permits must be met from within existing council resources.

Given the staffing which already exists within the streetworks team under the noticing arrangements, the administration of permits received for local authority highway works is not expected to place any additional cost burden on the Council. There will also be a slight impact on the administrative work of the highways delivery teams in preparing the more rigorous permit application process and this is expected to be covered through existing roles.

The majority of notices currently received by NCC are processed by the Network Coordinator and Assistant Network Coordinator. Under a permit scheme, a range of

permit conditions will be applied, all of which need to be checked and every permit needs to be authorised. This will result in a need for increased staff resources due to the additional steps in the process.

Under national guidance the scheme should be cost neutral. Permit revenue can only be used to cover the cost of administering utility related permits (and in the first 3 years recovering the set-up costs of the scheme). Complying with this and ensuring that the scheme is cost neutral will require careful budget management. The scheme will be subject to review at the end of each year in the first three years. The scheme will then be reviewed every three years with any surplus or shortfall remedied by a change in permit fees.

The DfT have provided guidance to local highway authorities in deciding upon their chosen permit scheme and, in particular, how that authority can decide the coverage of such a scheme. Northumberland County Council's proposed permit scheme will cover the whole of Northumberland and has been prepared on the basis of requiring permits for all adopted roads, including minor roads, with each permit application being scrutinised individually.

To calculate the benefits of the permit scheme, the Council has utilised financial matrices spreadsheets provided by the Department for Transport (DfT) nationally for consideration of permit scheme cost benefit. Noticing data from 2018/19 has been used to calculate an estimate of the additional number of staff required to administer the scheme, the associated running costs and the initial permit fees to be charged. The fees are set at a level to ensure that the scheme is cost neutral. Given the calculations, custom fees will be applied as opposed to maximum fees. It is estimated that income for the first year of the scheme will be £557,262 which offsets all of the costs incurred by the highways authority for reviewing utilities permits. The Cost Benefit Analysis Executive Summary is attached as Appendix 1.

Development of the cost benefit analysis was also a significant benefit in establishing the resources that will be needed to implement and deliver the proposed permit scheme.

The proposed staff structure is attached as Appendix 2. No existing staff have been put at risk as part of this process. Staff and trade union consultation was carried out during August and September and was received very positively. Preparations for the recruitment process have commenced in anticipation of scheme approval. As explained above, the scheme will be cost neutral and any additional costs in relation to the staffing changes will be met in full from the fees generated by the scheme and from within the existing staffing budget. It is hoped that additional staff will be in post by December to allow for training prior to the new scheme being implemented.

### **The Proposed Northumberland County Council Street Works Permit Scheme**

The overarching objective of a permit scheme can be summarised as the ability to manage and maintain the local highway network to maximise the safe and efficient use of road space and provide reliable journey times.

The specific objectives that have been developed for the Northumberland County Council permit scheme are:

- **Coordination** - reduce occupation of the highway for both street and highway works in order to minimise disruption to the travelling public;
- **Compliance** - improve compliance with the relevant codes of practice and conditions;
- **Information** - ensure accurate information is available to the public through improved quality of information received from all works promoters;
- **Fairness** - ensure all works promoters are treated fairly and with parity;
- **Collaboration** - encourage collaborative working between all works promoters.

Northumberland County Council commenced its three month statutory consultation on 24 July 2019 and this concluded on 23 October 2019. Responses have been considered and all amendments to scheme documentation as a result of the consultation will be made available on the Council's website. As part of this consultation process a report was presented to the Communities and Place Overview and Scrutiny Committee on 2 October 2019. The report was positively received with universal support. The Committee did not suggest any amendments to the proposed permit scheme documentation.

The proposed permit scheme to be known as the "Northumberland County Council Street Works Permit Scheme" is attached as Appendix 3.

It is recommended that Cabinet approve the Northumberland County Council Street Works Permit Scheme and delegate authority to the Cabinet Member for Environment and Local Services and the Service Director for Local Services to carry out the necessary operational functions to implement the proposed scheme from February 2020.

## Implications

<b>Policy</b>	The Council already performs its streetworks management responsibilities to a high standard, however, this new procedure will facilitate an increase in the level of rigour compared to the current processes.
<b>Finance and value for money</b>	The overall scheme is required to be cost neutral with the income from utility companies offsetting the cost of managing and operating the permitting scheme in respect of their works in the highway. Current income generated from street works will not be impacted.
<b>Legal</b>	Activities within the new procedure are covered through the existing relevant Acts and legislation (NRSWA 1991 and TMA 2004).
<b>Procurement</b>	Any purchase of additional equipment or resources will follow normal procurement processes.
<b>Human Resources</b>	An additional 4.5 FTEs will be required to operate the scheme with all additional direct and indirect costs associated with these staff being covered through the fees generated by the scheme and from within the existing staffing budget.  A S188 Notice was issued to trade unions on 8 August which was received positively with no concerns raised by the unions.
<b>Property</b>	Increased protection of the highway network assets.
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	N/A
<b>Risk Assessment</b>	Risks have been assessed and considered within the Business Case.
<b>Crime &amp; Disorder</b>	N/A
<b>Customer Consideration</b>	Statutory stakeholder consultation ran from 24 July 2019 to 23 October 2019. The responses have been considered and appropriate changes have been made to scheme documentation which has been updated on the website to ensure clear communication of the new procedure.
<b>Carbon reduction</b>	Reduced traffic congestion from proactively challenged works durations will help minimise carbon emissions.
<b>Health and Wellbeing</b>	Well coordinated street works with appropriate signage will assist works to be carried out safely for the travelling public and contractors.

<b>Wards</b>	All wards across the county
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**Background papers:**

- 9 July 2019: Delegated Decision Report - Consultation for Implementation of a Street Works Permit Scheme
- 2 October 2019: Communities and Place Overview and Scrutiny Committee - The proposed implementation of the Northumberland Street Works Permit Scheme

**Report sign off.**

***Authors must ensure that officers and members have agreed the content of the report:***

	Full name of officer
Monitoring Officer/Legal	Neil Masson
Executive Director of Finance & S151 Officer	Alison Elsdon
Relevant Service Director	Paul Jones
Chief Executive	Daljit Lally
Portfolio Holder(s)	Glen Sanderson

**Report Author**

Lynne Ryan, Network Manager

**Appendices**

- Appendix 1: Cost Benefit Analysis Executive Summary
- Appendix 2: Staffing Structure to support implementation of the proposed Permit Scheme
- Appendix 3: Northumberland County Council Street Works Permit Scheme