



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Regeneration

LEAD OFFICERS: Director of Planning & Prosperity

DATE: 8 December 2016

PORTFOLIO/S AFFECTED: Regeneration

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: Blackburn with Darwen Borough Council Permit Scheme

1. EXECUTIVE SUMMARY

The requirement to formally implement an all roads Permit Scheme within Blackburn with Darwen has been deemed essential in order to provide improved and increased management of all works undertaken on the highway. This will lead to better network co-ordination and management of all works affecting the highway network within the Borough.

2. RECOMMENDATIONS

That the Executive Board:
Approves and brings into force the Proposed Blackburn with Darwen Permit Scheme

3. BACKGROUND

Within a permit scheme, anyone carrying out works in the road will legally need to apply to the Council for permission, in advance of the works.

Key benefits of a Permit scheme are increased Highway Authority powers to manage Streetworks on the highway network, and in turn being the ability to proactively better manage the network.

The Permit Scheme will provide the following key benefits for Blackburn with Darwen residents, businesses and visitors;

- A greater opportunity to deliver and achieve completion dates;
- Reduced delays and disruption to economic activity
- Improved reliability of journey times, especially by public transport;
- Improved communication about the purpose and duration of works;
- A single point of contact for all activities.

4. KEY ISSUES & RISKS

The government have made it mandatory that every Council must follow the same noticing process as is required from the Statutory Undertakers. Therefore, should councils fail to follow the required

process, there is a greater chance of challenge from Statutory Undertakers. This risk will be mitigated by the Council implementing the necessary processes in relation to its own works..

The noticing of works is an electronic transfer of information of the where and what work will be undertaken, when they will be undertaken and how long for. This allows the Blackburn with Darwen to fulfil its network management duty under the Traffic Management Act 2004.

5. POLICY IMPLICATIONS

The introduction of the permit scheme will bring in tighter controls on the management works undertaken by Statutory Undertakers which in turn will allow for an improved network management service.

6. FINANCIAL IMPLICATIONS

A cost benefit analysis has been undertaken to assess the future needs of detailed implementation. This has set out the full implementation costs along with projected income based on number of street works notices issued per year. The Business Case has cost an initial investment of **£31k**.

Permit Schemes have a set amount of charges that can be applied against a Utility company per Permit issued. It is within this cost that the additional administrative costs have been built in which will assist on the actual day to day operation.

The Permit Scheme allows set conditions on timing, co-ordination with other works, the amount of road space to be left available to road users and pedestrians and other appropriate requirements.

It allows Blackburn with Darwen B.C to charge a fee for granting a Permit. The income fee will provide for additional staffing and administration of the scheme and so that the impact on road users and frontagers (businesses and residents on stretches of highway affected by road works) are fully considered and minimised.

Detailed below is an indication of the items needed for setting up a permit scheme in Blackburn with Darwen along with the estimated costs with an optimism bias of 15%, risk of 20% and overhead applied. The list is not meant to be exhaustive and some consideration may be required by fluctuations upwards or downwards.

Set Up cost to Blackburn with Darwen Borough Council

Project Management -	£50,000
Exor Production system upgrade and migration	£45,000
• TMA/Permitting Manager, NSG Manager, spatial manager	
• Application server (Permit element)	
• Database export	
• Install TMA Web Services running Oracle SOA suite 11.1.1.7.0 on Test and Production	
• Configure TMA API as a Web Service	
• Configure Permitting	
• Install Information Manager and IM4 Streetworks reporting pack	
Exor licences	£9,000
BwD ICT support with implementation	£28,000

(final costs to be based on actual days)

Additional staff, recruitment costs, office space, equipment £35,000 (3 months prior to go-live)
TMA Permitting consultancy/training £29,000

(Exor, training consultancy)

Total Set Up Cost £196,000

The set up cost of £196,000 is to be recovered over the first three years of operation of the Scheme – subject to rounding this produces a Set Up Cost element in years 1-3 of £65,000 per year. This cost, along with the annual baseline scheme running cost, is to be covered by annual income from the Scheme, as shown below.

Annual running costs and income

Years	1	2	3
Set Up Costs	£65,000 (£196,000/3)	£65,000 (£196,000/3)	£65,000 (£196,000/3)
Baseline annual running costs- Permit Authority	£222,000	£222,000	£222,000
Total Costs in year	£287,000 (£65,000 + £222,000)	£287,000 (£65,000 + £222,000)	£287,000 (£65,000 + £222,000)
Annual Revenue from Utility Companies	£287,000	£287,000	£287,000
Net	(breakeven)	(breakeven)	(breakeven)

The Secretary of State has set maximum permit fees for various types of activity and road category. A permit authority must set out and justify its proposed fees in its application to run a permit scheme. The income from fees shall not exceed the total allowable costs prescribed in the permit regulations. The allowable costs of the complete scheme and its overall income have to be balanced.

Allowable costs are limited to:

- the proportion of direct costs and overheads attributable to operating the scheme
- the element of those costs that are over and above the cost of the authority’s co-ordination duty under NRSWA.

This includes the costs of dealing with:

- activities which required a permit but for which no permit was sought
- proposed activities which would be subject to a permit but which do not lead to an application, for example, activity planning involving the authority which is later abandoned.

Overheads can include:

- non-salary staff-related costs such as pensions and benefits
- appropriate allocation of accommodation costs
- appropriate allocation of central services costs
- appropriate share of IT costs (software and hardware)
- general administration and management
- monitoring the permit system and the production of KPIs
- invoicing.

Notwithstanding an authority’s costs, the regulations and Statutory Guidance set maximum fees that

permit authorities may not exceed. The fees for permits within Blackburn with Darwen have been set out as part of the final business case.

7. LEGAL IMPLICATIONS

Permit schemes operate under the Traffic Management Act 2004 (TMA) and the Traffic Management Permit Schemes (England) Regulations 2007. New Road Street Works Act 1991 remains the current practice for undertaking street works assessments which will still run parallel with a Permit Scheme. The Council has a duty under Section 59 of The New Roads and Street Works Act 1991 to co-ordinate works of all kinds. In addition, section 16 of the Traffic Management Act 2004 requires Councils to manage their road network with a view to achieving so far as may be reasonably practicable having regard to other obligations, policies and objectives, the following overriding objectives: securing the expeditious movement of traffic on the authority's road network and facilitating the expeditious movement of traffic on road networks for which another authority is the traffic authority. The Traffic Management Permit Scheme (England) Regulations 2007 currently set out the process for such applications to be submitted for assessment and approval to the Secretary of State.

8. RESOURCE IMPLICATIONS

In order to operate the scheme fully it has been identified that 2-3 additional FTE's will be required in order to administer the permit application and supervise the Statutory Undertakers on site. 2 Permit administrators will be required to process the permit applications and 1 Permit inspector will be required to ensure the Statutory undertakers sites adhere to the permit conditions stated on the authorised permit.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

The Proposed Permit Scheme has followed the required Statutory Consultation process required by the Department for Transport. All Responses have been reviewed, alterations made were required and answers provided as per the attached documents

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted

by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION: 2

CONTACT OFFICER: Simon Littler

DATE: 01 October 2016

**BACKGROUND
PAPER:** DfT Code of Practice