



CABINET

21 March 2012

Subject Heading:

Cabinet Member:

CMT Lead:

Report Author and contact details:

Policy context:

Financial summary:

Is this a Key Decision?

Is this a Strategic Decision?

When should this matter be reviewed?

Reviewing OSC:

Adoption of the London Permit Scheme (LoPS) for Road Works and Street Works
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New Roads and Street Works Act 1991
Traffic Management Act 2004
Mayor's Transport Strategy 2010
Draft Network Operating Strategy 2011
Havering "Living Ambition" Agenda 2010
Havering Local Implementation Plan 2012
Network Management Plan 2006

There are no net financial impacts, as the additional staffing costs associated with LoPS will be covered by the revenue generated from the permit fees.
Yes

Yes

Annually

Environment

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	[✓]
Championing education and learning for all	[]
Providing economic, social and cultural activity in thriving towns and villages	[✓]
Valuing and enhancing the lives of our residents	[✓]
Delivering high customer satisfaction and a stable council tax	[✓]

SUMMARY

- i This report considers the rationale for Havering joining the London Permit Scheme (LoPS), providing details of the steps that need to be taken to join the scheme. Joining the LoPS will enable greater control and regulation of Street Works, allowing the Borough to meet its Network Management Duty under Part 3 of the Traffic Management Act 2004 and the Traffic Management Permit Schemes (England) Regulations 2007 (the Regulations).
- ii The LoPS has been designed to encourage better planning and management of road works, which is driving forward reductions in congestion across London's road network. This in turn is delivering benefits for the economy and the environment and improving the quality of people's daily journeys.
- iii 26 London Boroughs, TfL and the City of London have joined the LoPS in a series of three previous phases of implementation. The pathway to adopting LoPS is now clearly set up, with a standard route to implementation established. The earlier adopters have not faced any challenges or significant difficulties in operating the scheme.

RECOMMENDATIONS

Cabinet is recommended to:

- Agree to proceed with an application to the Secretary of State for Transport to join the London Permit Scheme, subject to the outcome of consultation (see 6.2).
- Delegate authority to the Group Director for Culture and Community, in consultation with the appropriate Cabinet Members, to take all actions necessary to implement the London Permit Scheme and to vary permit fees as required to ensure that permit fees meet, but do not exceed, the operating costs of the scheme.
- Delegate authority to the Group Director for Culture and Community, in consultation with the appropriate Cabinet Members, to recruit additional staff to the New Roads and Street Works Act team or revise existing structures as required to meet the needs of the service, in accordance with Council policies and procedures, on the basis that posts will be self-financing.

REPORT DETAIL

1. Introduction

- 1.1 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.
- 1.2 The LoPS has been rolled out across London in a series of phases, with only 6 boroughs (Havering, Merton, Bexley, Tower Hamlets, Sutton and Kensington and Chelsea) now not operating the scheme. The operation of the scheme over the last two years has allowed the processes of both initiating and operating the scheme in individual boroughs to be refined by the early adopters, ensuring a smooth path for those joining in later phases.
- 1.3 The first phase of LoPS was adopted by 15 London Boroughs, City of London and Transport for London in January 2010, having been approved by the Secretary of State for Transport in October 2009. The remaining London Boroughs that have implemented LoPS joined in phases 2 and 3. A fourth phase is planned for implementation later this year and the other five Boroughs not operating LoPS have given a clear commitment to join in this phase.
- 1.4 The adoption of LoPS by all traffic authorities in London is fully supported by the Department of Transport (DfT) and TfL.

2. Background

- 2.1 The current regime for regulating street works uses powers contained within the New Roads and Street works Act 1991 (NRSWA). Currently the NRSWA places a duty on highway authorities to coordinate works of all kinds on the highway and also places an equal duty on statutory undertakers to co-operate in this process. This requires statutory authorities and local authorities to give notice of their intention to undertake works to each other.
- 2.2 There are limited controls available under this legislation for the local authority to control the coordination of road works and the introduction of the Traffic Management Act 2004 (TMA) was intended to give more powers to local authorities to do this. The TMA has provided a range of different measures for controlling road works, including permit schemes and fixed penalty notices.

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- 2.3 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.
- 2.4 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.
- 2.5 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.

3. The London Permit Scheme (LoPS)

- 3.1 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.
- 3.2 The permit scheme requires 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. With the exception of emergency works, they will be expected to apply for the permit prior to work commencing, with minimum notice periods specified within the scheme. 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.

- 3.3 The TMA enables permitting authorities 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 this 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.
- 3.4 One of the key principles of permit schemes is that statutory undertakers' 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.
- 3.5 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 management of all works on the highway, allowing the authority to fulfil the network management duty imposed on it under the TMA.
- 3.6 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 level of congestion caused by road works and helping to reduce the level of vehicle emissions and improve air quality.

4. First Year LoPS Evaluation

- 4.1 Research carried out by TfL in association with the London Boroughs that have already entered into the first phase of implementation, 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.
- 4.2 Following the first year of operation, TfL produced a first year monitoring report which highlighted a number of successes attributable to the scheme in 2010:
- An 147% increase in the number of recorded days of disruption saved through joint working and collaboration.
 - £2.7 million saved in congestion costs, through increased joint working and collaboration
 - A 10% reduction in the total number of works undertaken by utilities
 - Delivery of a large portion of the expected levels of benefits for average journey time and journey time reliability
- 4.3 The report also contained feedback from participating boroughs on their view of the first year of operation, which was overwhelmingly positive. Boroughs found that moving to the permitting system:
- Reduced disruption on their networks
 - Reduced the level of complaints about road works
 - Improved the quality of information received from works promoters
 - Improved dialogue with works promoters
 - Improved the co-ordination of road works
 - Reduced the number of Notices/Permits cancelled
 - Reduced requests for early starts
 - Improved compliance with highways legislation by works promoters
- 4.4 The ability to apply conditions was seen to be a particularly beneficial aspect of the scheme, as illustrated by the following quote from Haringey:

“The application of conditions to permits has greatly increased the ability of highway authorities to control the times and days on which works are undertaken and thereby minimize disruption.

The application of conditions has also given the ability to address the requirements of specific parts of the highway network, such as schools, elderly people’s residential homes and disabled people’s facilities. For example where works are being undertaken in proximity to a school working hours can be limited to avoid the arrival and departure times of pupils and parents. The use of temporary light signals can now also be better controlled by specifying a requirement for signal timings to be “tidal” to

reflect different am and pm traffic flows or where necessary that signal be manually controlled during peak traffic flow periods to enable changes in traffic flows to be compensated for and so that any equipment failures can be dealt with instantly. “

5. Resourcing Requirements for Implementation in Havering

- 5.1 Because the LoPS is a more stringent system of managing road works than the current noticing system, it is anticipated that LoPS will place greater demands on the Borough to effectively manage road works. It is expected that the equivalent of four posts will be required to support the administration of LoPS, undertaking permit validation, assessing impacts of proposed works, assessing proposed traffic management measures, applying temporary traffic restrictions and parking controls, applying permit conditions, assessing compliance with permit conditions, visiting sites and dealing with complaints and enquiries. Much of this work can be undertaken by staff already employed within the Streetcare service, and redistribution of work within the service would allow this resourcing requirement to be met without recruiting additional staff to the authority. Salary and overhead costs associated with the administration of LoPS are self-financing from permit fees.
- 5.2 The transition from the current noticing system to the LoPS will generate a training need for staff within both the Streetworks Team and internal works promotion teams. Internal works promoters will have to use the internal permitting module to notify the Streetworks Team of forthcoming works and all these staff will have to be trained in the mechanics of the permitting system.
- 5.3 Additional IT resources will be required to support the implementation of this new way of managing road works, which are readily available but have cost implications. These initial start up costs are expected to be insignificant compared to the revenue generated by the Streetworks Team in the first year of permit operation and will be managed within existing Streetcare budgets for training and equipment. Further details of how these resourcing requirements have been calculated are available in the background papers.

6. LoPS consultation and implementation

- 6.1 Part 2 of the TMA requires a full statutory consultation to be undertaken by authorities progressing permit schemes (as required in the Traffic Management Act Permit Schemes (England) Regulations 2007). As a part of the implementation of previous phases 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 four. The operating conditions of the scheme, however, will be the same as for previous phases as this is a common scheme.

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- 6.2 As a result of TfL's interest in getting the outstanding boroughs signed up to LoPS, a consultation on behalf of the fourth tranche boroughs has been organised by the lead London Borough, Hammersmith & Fulham. This consultation commenced at the end of January 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 is exactly the same as the consultation undertaken for previous phases and so there is a very low expectation of any issues arising. A list of consultees can be found in the background papers.
- 6.3 Should the council decide to proceed with entry to LoPS, the next step will be to submit a formal application to the Secretary of State for Transport to adopt LoPS, subject to the consultation process first being completed satisfactorily. The submission documents required follow a standard format and will include a cost benefit analysis that has been validated by TfL. 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 12 weeks to complete.
- 6.4 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. The length of time from DfT approval to implementation is usually approximately 10 weeks, although individual authorities may choose to delay start dates
- 6.5 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.
- 6.6 The "Your Council Your Say" survey, undertaken in early 2011, highlighted the importance that local residents place on both tackling congestion and road and pavement repairs. With poorly reinstated road works contributing to the menace of potholes, and road works generally causing congestion, it is clear that a better system of managing road works will help to deliver improvements that are of value to local residents.

REASONS AND OPTIONS

7. Reasons for the decision:

- 7.1 It is recommended that the Council agrees the introduction of the Permit Scheme to control and manage potential disruption on the Borough's streets as part of its statutory responsibility under the Traffic Management Act to manage the road network to secure, as far as may be reasonably practicable, the expeditious movement of traffic.
- 7.2 The Permit Scheme will serve to move towards this objective and will be adopted by all other London Highway Authorities at the end of the current tranche.
- 7.3 Overall there will be no net financial cost to the Borough and there is the potential to make significant improvements in managing and controlling unacceptable obstructions of the highway.
- 7.4 The scheme will contribute to the delivery of a number of Council objectives, since better management of street works and consequent reductions in congestion will support economic activity, increase safety and improve conditions for residents. The use of permit fees to cover the costs incurred will allow the Council to deliver an improved service at no additional cost to local residents.

8. Other options considered:

- 8.1 The Council could continue to manage street works under the current noticing system indefinitely, or could opt to join LoPS at a later date. Both of these options may have risks for the Council.
- 8.2 Within the current tranche of entry to LoPS, a high level of support is being provided by colleagues from the lead borough (Hammersmith and Fulham) and from TfL. Should Havering choose to defer joining the scheme until a later date, it is likely that the level of external support available would be reduced, increasing the costs of joining to the Borough.
- 8.3 In the current economic climate there is increasing pressure on Local Authorities to reduce costs through the adoption of working practices that deliver efficiencies, with joint procurement of services by groups of boroughs becoming increasingly common. Should Havering decide not to join LoPS, it will be managing street works in a different way to all other London Highway Authorities. This could create problems for Havering in future joint procurement exercises for highway services.

- 8.4 The London Mayor places a high priority on the effective management of street works and the outstanding boroughs are being actively encouraged to join LoPS. Havering has close links with the Mayor, GLA and TfL, and given this context of strong partnership working arrangements with these groups, it is considered prudent for the Borough to progress towards entry of LoPS.

IMPLICATIONS AND RISKS

9. Financial implications and risks:

- 9.1 An assessment of the cost of running the scheme in Havering 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). Under the rules of the scheme, income derived from permit fees can only be used to cover the additional costs of operating the permit scheme and must not be used to generate revenue for the Local Authority.
- 9.2 The costs of operating the scheme 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 the equivalent of approximately 4 FTEs to operate a permit scheme in Havering (see Appendix 1 – Havering LoPS Matrix). The costs of all staff required to operate the scheme would be met from the income generated by the permit scheme.
- 9.3 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 (c.£10,000) and could be absorbed within existing revenue budgets. These would in effect be a one off setup cost.
- 9.4 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. Havering 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.

- 9.5 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.
- 9.6 The calculations in the permit fee matrix follow a standardised and consistent format, using national guidelines where available. A number of assumptions have been made in respect to operational parameters, which are explained in the London Permit Schemes Assumptions Document (see background papers).

10. Legal implications and risks:

- 10.1 The London Permit Scheme is based on Part 3 of the Traffic Management Act 2004 (TMA) (sections 32 to 39) and the Traffic Management Permit Schemes (England) Regulations 2007. The London Permit Scheme is a permit scheme within the meaning of Section 32 (1) of the TMA.
- 10.2 For any street where a permit scheme operates, the Permit Regulations disapply or modify certain sections of the New Roads and Street Works Act (NRSWA). Therefore in permit areas duties placed upon activity promoters and street authorities under the NRSWA are replaced by equivalent duties imposed under Part 3 of the TMA and the Regulations.
- 10.3 If the Secretary of State approves the scheme he will make an order (a statutory instrument) giving effect to it. The order will, amongst other things, specify the date on which the scheme will come into effect.
- 10.4 The Council must be ready to implement the permit scheme from the date specified in the order, as some key powers it previously used to manage street works will not be available to it after that date. Although it is possible to get the start date put back by requesting the withdrawal of the first order and a new one with a new date made in its place.
- 10.5 Once the order has been made giving effect to the scheme the Council must notify all those that it consulted earlier on in the process before it submitted its application for the scheme.
- 10.6 Once an order has been made changes can only be made to the scheme if all (it being a common scheme) the participating authorities agree and the

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Secretary of State agrees. An application is therefore needed to the Secretary of State. An explanation and justification for the change will need to be given.

- 10.7 If the Council were to decide that it wishes to cease running the scheme an application would need to be made to the Secretary of State to revoke the scheme. Thus the Council could not discontinue the scheme and re-establish a notice system in their area without the approval of the Secretary of State.
- 10.8 Before asking the Secretary of State to change or revoke the scheme the Council would have to consult all those consulted earlier on in the process before it submitted its application for the scheme. On any changes being made or the scheme being revoked these persons would need to be notified.
- 10.9 The Secretary of State has the power to vary or revoke a permit scheme under s36 of the Traffic Management Act 2004 and can use this power to make any changes to schemes he considers appropriate (following consultation) in the light of a review.
- 10.10 It is not mandatory for highway authorities to run permit schemes although the Secretary of State has the power to direct a local highway authority to prepare and submit a permit scheme under s33(2) of the Traffic Management Act 2004. This means that if the majority of London Boroughs adopt a permit scheme, the Secretary of State could direct any remaining boroughs to also adopt a permit scheme.
- 10.11 In accordance with Regulation 39 of the Regulations, authorities operating a Permit Scheme must be set up to receive applications, issue notices and otherwise communicate electronically. All such communications relating to the works on the highway will be made using the Electronic Transfer Notices (EToN) system where ever possible.
- 10.12 All registerable activities for which a Permit is required and has not been sought and granted cannot be carried out without committing an offence. Where there is proof that any undertaker has committed a criminal offence (Permit offences apply only to undertakers and not to highway authorities) where it is both practical and appropriate the Permit Authority will contact the undertaker before taking action to seek to discuss the matter.

11. Human Resources implications and risks:

- 11.1 It is estimated that four posts will be required to operate the Permit Scheme. A reorganisation of work distribution within the Streetcare Service will allow this activity to be distributed amongst existing staff, predominantly those working in the NRSWA team.

11.2 Current estimations are that this is the minimum staffing level required to implement and operate the scheme. However, if the volume of Permits is significantly higher than anticipated it may be necessary to recruit additional staff to cover the work. It is anticipated that if such a situation were to arise, the costs would be fully met from permit income, thereby continuing to ensure that the service is self-financing.

12. Equalities implications and risks:

12.1 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 in developing the scheme.

12.2 The introduction of LoPS will not change the basic principles of street works regulation for 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.

12.3 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.

12.4 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.

BACKGROUND PAPERS

Traffic Management Act 2004, Statutory Guidance for Permits

http://www.google.co.uk/url?q=http://assets.dft.gov.uk/publications/statutory-guidance-permits/statutory-guidance-permits.pdf&sa=U&ei=uiqHT7TOM4-0-QapjKmfAQ&ved=0CBAQFjAA&usg=AFQjCNHZ_M_O89twJc_BlqXFn5PvU60bA

Traffic Management Act 2004, Permit Fees Guidance

http://www.google.co.uk/url?q=http://assets.dft.gov.uk/publications/permit-fees-guidance/permit-fees-guidance.pdf&sa=U&ei=CikHT9_FO8Wp-gbh44C_AQ&ved=0CBAQFjAA&usg=AFQjCNGKWfYFQvmvDNM-zHiy5SvZ62PtCQ

London Permit Scheme For Road Works and Street Works, 15th October 2009

<http://www.londoncouncils.gov.uk/London%20Councils/LOPSfvapproved151009.pdf>

London Permit Scheme for controlling works related activities in the street – Cost Benefit Analysis – version 11.0, 30th January 2012

<http://www.londoncouncils.gov.uk/London%20Councils/Phase4CoBAv1.pdf>

London Permit Scheme Assumptions Document

London Permit Scheme For Road Works and Street Works, First Year Evaluation Report

<http://www.londoncouncils.gov.uk/London%20Councils/LondonPermitSchemeEvaluationReport.pdf>

London Permit Scheme list of consultees

Appendix 1 – Havering LoPS Matrix

Appendix 1 – Havering London Permit Fee Matrix

A standard permit fee matrix is used by TfL to prepare a cost benefit analysis for submission to DfT. This matrix follows a nationally agreed format, using automated calculations to determine the operating costs of the scheme, the number of staff needed to operate it and the permit fee charges required. This allows individual boroughs to set their permit fees at a level which will meet the requirement for the scheme to be operated in a cost neutral manner.

The data entered into this spreadsheet model consists of historical information about the number and type of works notices (2007/08 being the agreed base year), staff salaries for different types of role (based on current NRSWA team structure) and estimates of the time taken to process permit applications for LoPS (London averages used).

The DfT sets a cap on the maximum charges that can be applied for each class of permit and where this has limited the permit fee chargeable, this has been indicated with shading.

Category 0-2 and 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	19	£97	N/A	N/A	£1,855
Major	22	£220	4	£45	£4,954
Standard	522	£129	52	£45	£69,474
Minor	868	£65	43	£45	£58,147
Immediate	545	£57	27	£45	£32,024
Sub Total	1975		127		£166,454
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	71	£75	N/A	N/A	£5,310
Major	76	£149	15	£35	£11,793
Standard	646	£75	65	£35	£50,680
Minor	3488	£45	174	£35	£163,083
Immediate	1334	£40	67	£35	£55,711
Sub Total	5615		321		£286,577
Totals					
Estimated No. of Permits		Estimated No. of Permit Variations		Income	
7590		448		£453,031	

Operating Cost Breakdown				
Permitting Team	Employees Required	Salary Costs	Overhead Costs	Employee costs
Street Works Officers	1.58	£51,366	£75,508	£126,873
Street Works Coordinators	1.87	£76,053	£111,798	£187,852
Traffic Managers	0.71	£33,063	£48,602	£81,665
Total Employee Requirements	4.16	£160,482	£235,908	£396,390
Operational Factor Costs				£67,386
Total Costs				£463,776

The salary costs are calculated by applying an increase of 27.8% to the base salary to cover national insurance and pension contribution costs. The overhead costs are included to cover the costs of standard overheads such as office accommodation, IT provision, HR and management servicing and equipment. These overhead rates have been agreed to apply to all members of the LoPS scheme.