

Meeting date: 25th November 2020
Report to: Highways and Environment Cabinet
Member Decision Session



Subject/report title: Highway Works Permit Scheme - Annual Report
Report from: Head of Highway Management
Report author/lead contact officer: David Keaney/Paul Tovey

Wards affected:

All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph: NA

1. Purpose of Report

1.1 To consider the findings and recommendations resulting from the independent review of the first 12 months operation of the Solihull Highway Works Permit Scheme and to receive an update and evaluate scheme performance during year 2.

2. Decision(s) recommended

2.1 The Cabinet Member is asked to:

- (a) Note and comment on the performance of the Permit Scheme during the first two years of its operation.
- (b) Note and approve the year 1 annual report contained in Appendix A, which is to be submitted to the Department for Transport.
- (c) Approve the findings from the evaluation of year 2 performance as set out within the body of this report and summarised in Appendix B, which will also be submitted to the Department for Transport.
- (d) To agree to receive a report evaluating the performance of the Solihull Permit Scheme over its first three years and any changes that this may necessitate in January 2022.

3. Matters for Consideration

- 3.1 The Solihull Highway Work Permit Scheme (the Permit Scheme) was introduced in October 2018, and has now been operational for a little over 2 years. It is supporting the Council, in its role as a Permit Authority, to manage the impact of highway works within the borough. The overall aim of this scheme is to minimise disruption and support the Council's wider aims.
- 3.2 The Permit Scheme applies to works on all adopted and publicly maintainable streets in Solihull, including road works undertaken by the Council as the Highway Authority and street works carried out by Statutory Undertakers or Public Utility Companies.
- 3.3 Through the Permit Scheme the Council has an enhanced ability to co-ordinate essential works, supporting businesses, economic growth, getting people into work, and children to school safely, improving air quality and protecting and enhancing the borough's unique natural and local environments.
- 3.4 The scheme was developed and is being operated in accordance with the statutory guidance issued by the Secretary of State to assist Highway Authorities wishing to become Permit Authorities. The successful introduction of the scheme has resulted in greater control over road and street works taking place in Solihull. By ensuring that the works are carried out at the least disruptive time along with suitable traffic management, the impact of works has reduced.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 Section 16A of The Traffic Management Permit Scheme (England) (Amendment) Regulations 2015 (the Act), requires that Local Authorities operating a permit scheme should evaluate their permit scheme in the first, second and third anniversary's respectively from the date on which the scheme came into effect.
- 4.2 The regulations require that an Authority considers the following matters as part of its review:
 - (a) whether the permit scheme is meeting key performance indicators where these are set out in the Guidance,
 - (b) the costs and benefits (whether or not financial) of operating the scheme, and
 - (c) whether the fee structure needs to be changed in light of any surplus or deficit.
- 4.3 In recognition of these requirements, and as a new initiative for the Authority, Officers were keen to ensure that it was operating in a robust and sustainable manner. Following a review by Cabinet in March 2020, an independent review of the first 12 months of the scheme was commissioned. A copy of the full report is contained in Appendix A.
- 4.4 The review concluded that overall the scheme is working well and has been successfully implemented and operated over its first 12 months.

- 4.5 The introduction of the scheme has resulted in greater control over road and street works taking place in Solihull. In the first year of operation, the recorded number of days where streets were occupied and works affected our local community reduced as a direct result of the interventions and actions taken under the scheme's powers. For utility work, this has reduced by 1,082 days which is a significant achievement.
- 4.6 The report identified that the Authority has worked with all promoters to achieve the objectives of the scheme. A collaborative approach was adopted and through constructive engagement and dialogue, the average occupation of the highway per permitted works reduced by 17%, from an average of 3.5 days to 2.9 days.
- 4.7 Overall, 8,882 permit applications and permit variations were received during the year, of which 7,514 were from external work promoters (Street work). 97.56% of permit requests were granted which shows good cooperation with all work promoters. Whilst the number of individual requests to carry out Street works on the highway increased, on the previous 3 year average, the number of days of actual occupation on the network reduced.
- 4.8 5 Key recommendations for improvement came out of the report, these are summarised below:
- (a) A review of procedures for submitting permit applications to ensure all required highway works are recorded in the system,
 - (b) A review of the Council's process for closing permits to ensure they are timely and customers can be updated quickly and in real time,
 - (c) Continue to reduce road occupancy and promote collaborative working,
 - (d) A review of permit conditions on utility applications to ensure they are recorded under the correct categories, and
 - (e) A review of costs and benefits during years 2 and 3, to determine if the fee structure remains appropriate.
- 4.9 Work to implement the recommendations are now well underway, however it is noted that the impact of Covid19 and the new ways of working that it has required, not just for the Council's own permit team, but our own works promoters and utility partners, has limited our ability to progress some elements over the last 6 months.
- 4.10 Appendix B, annexed to this report, provides a summary of the scheme's performance in year 2 (October 2019 – September 2020). This demonstrates that whilst there was a period in March and April 2020, when the volume of permit applications reduced noticeably, overall the service continues to operate well, is back on profile and has again been able to make significant savings in terms of reducing the number days that works are affecting the network. Importantly, it is operating on a cost neutral basis to the Authority.
- 4.11 In reference to the data used to collate appendix B, the scheme is considered to continue to meet the objectives and indicators of the scheme, as set out in the Solihull Permit Scheme Order document. It has been shown to add value to the services provided by the Authority in planning and co-ordinating road and street works in the

borough. It is also helping improve works planning and operation, through the effective issuing of permit conditions and compliance monitoring which is driving good practice across the borough. This benefits road users, the general public as well as the works promoters.

- 4.12 Overall in year 2, whilst the service continued to perform well, it is not possible to draw any meaningful conclusions from the performance of the scheme in this period. This is due to the unknown economic impact of Covid19 which has also impacted on how works have come forward. As such, the data from this year is not considered to be representative, and there would consequently be little value in subjecting the data to the same level of evaluation and scrutiny.
- 4.13 Another challenge faced in year 2 of the scheme, has been the introduction of the Street Manager communication system. This Department for Transport mandated protocol and web based software, dictates how Permit Authorities communicate with work promoters, when applying, responding and issuing permits, together with the associated conditions. Originally intended to launch on the 1st April 2020, the new system went live on 1st July 2020. The new protocol has been successfully implemented into our existing permitting system, and whilst there have been short periods where there have been technical issues, overall the release of the new system has not significantly impacted on our ability to consider and respond to permit requests.

5. Reasons for recommending preferred option

- 5.1 The performance of the Solihull Permit Scheme has been evaluated in line with the requirements of the relevant legislation. This has demonstrated that the scheme is operating well and has benefited the borough through greater co-ordination of road and street works, improved communication and engagement and through a reduction in network occupation through days saved on the network.
- 5.2 The five recommendations resulting from the evaluation of year 1 remain valid and appropriate and the team are working to progress and implement these recommendations, despite the challenges faced by Covid19 and the introduction of the new Street Manager system.
- 5.3 A full evaluation of the year 3 performance of the scheme will be undertaken from October 2021 and will evaluate the scheme against the three mandated criteria as set out in section 4.2 of this report. This evaluation will be considered against the data collected from years 1 and 2. In doing so it will enable us to have a better understanding of the impact of Covid19 and whether any further changes to the permit scheme and its fee structure are necessary.
- 5.4 These reports will no doubt be scrutinised by external works promoters, it will again be necessary to have this piece of work carried out by independent consultants and, due to the time delay in the government publishing the required national economic data this report is not expected to be available until November 2022.

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>Economy:</p> <ol style="list-style-type: none"> 1. Revitalising our towns and local centres. 2. UK Central (UKC) and maximising the opportunities of HS2. 3. Increase the supply of housing, especially affordable and social housing. 	<p>Better co-ordination of highway works will help ensure that future residential and commercial developments can be delivered.</p>
<p>Environment:</p> <ol style="list-style-type: none"> 4. Enhance Solihull's natural environment. 5. Improve Solihull's air quality. 6. Reduce Solihull's net carbon emissions. 	<p>By successfully challenging and co-ordinating proposed works the scheme can reduce delay and congestion, positively contributing to the Council's wider air quality improvement targets.</p>
<p>People and Communities:</p> <ol style="list-style-type: none"> 7. Take action to improve life chances in our most disadvantaged communities. 8. Enable communities to thrive. 9. Sustainable, quality, affordable provision for adults & children with complex needs. 	<p>One of the key benefits of the Permit Scheme is that it enables improved notice and communication of works to effected communities. This in turn then enables the local community to make informed travel choices when planning journeys in the borough.</p>

6.2 Consultation and Scrutiny:

6.2.1 A cost benefit analysis and business case was developed to support the justification of the introduction of the new highway works permit scheme. The cost benefit analysis and business case has been fully evaluated in reference to year 1 actual performance data which has demonstrated that the scheme continues to have a positive cost benefit ratio of 2.5 when considered against a 6.8% saving in occupancy for utility works only. As such it can be shown that the DfT value for money threshold has been achieved in the first year. Due to the impact of Covid19 over the last 6 months the operational data collected for year 2 of the scheme is not considered to be representative of a typical year. As such there would be limited value in carrying out a further full BCR assessment at this time on this data. It is however noted that the scheme continues to perform well and on the basis of the review carried out on year 1 performance there are no reasons to suggest that the BCR value would have varied significantly in year 2. This assumption will be reviewed and assessed as part of the year 3 review which will take place from January 2022 to November 2022, subject to the on-going impact of the COVID pandemic.

6.2.2 A copy of this report along with the Year 1 assessment will be provided to the Department for Transport in line with best practice and will be published and be available for scrutiny on the Councils website.

6.3 Financial implications:

6.3.1 The year 1 evaluation report highlighted that in 2018-2019, the Permit Fee income invoiced by the service was £404,265.

6.3.2 The operating costs to process utility permit applications for the same period is calculated at £373,924. This is broken down as employee costs at £274,869 and allowable overheads at £99,055.

6.3.3 As a result, the scheme was able to meet its objective of operating on a cost neutral basis and was able to generate a small surplus of £30,341 (7.5% of annual fee income). Regulations set out that the service should not generate a profit and all income received is ring fenced to be spent on the operational costs of the scheme including staff costs. As a result the service will need to closely monitor income over the subsequent years to ensure that any income generated is invested into the scheme to enable further improvement in its operation.

6.3.4 A review of year 2 (2019-2020) performance shows that the Permit Fee income invoiced by the service increased to £443,518, this represents a 9% increase over year 1.

6.3.5 The operating costs associated with processing utility permit applications over the same period also increased, primarily as a result of the addition of two new members of the team who have been brought into aid its operation and the introduction of the new Department for Transport mandated Street Manger system which all authorities are now required to use. As a result the scheme costs are now calculated at £407,407. This is broken down as employee costs at £308,407 and allowable overheads at circa £99,000.

6.3.6 Despite these additional costs, a small surplus has again been generated by the team. This indicates that the impact of Covid19 and associated changes in working practices have had limited impact on the delivery of road and street works impacting the network. It should be noted however that the data from the last 6 months cannot be considered as typical and therefore it is suggested that comparison with year 1 data is unlikely to be representative and therefore it is suggested that further data is needed before any decision as to whether the fee structure for the permit scheme needs to be altered at this time.

6.3.7 As a result no changes to permit fees is proposed as part of this report and it is intended to utilise any remaining income generated by the scheme so far in years 1 and 2 to invest further in new IT solutions over the coming 12 months, as these will aid the operation of the scheme particularly in light of the new requirements associated with the Street Manager system.

6.4 Legal implications:

- 6.4.1 The Solihull Permit Scheme is a Single Permit Scheme for the purposes of Part 3 of the Traffic Management Act 2004 (TMA) and the Traffic Management Permit Scheme (England) Regulations 2007 (the Permit Regulations).
- 6.4.2 Section 16A of The Traffic Management Permit Scheme (England) (Amendment) Regulations 2015 requires a local authority operating a permit scheme to carry out an evaluation of the scheme in years 1, 2 and 3 and then after every 3 subsequent years.
- 6.4.3 The preparation of this report including its appendices is considered to discharge the legal requirements placed on the Authority, with copies of the various documents being made available on line and submitted to the Department for Transport for consideration once approved.

6.5 Risk implications:

- 6.5.1 It is a requirement of the Traffic Management Permit Scheme Regulations for a Permit Authority (the Council) to evaluate the performance and operation of its permit scheme. Failure to do so could result in the Department for Transport withdrawing permission for the Authority to operate the scheme or impose specific conditions around its finance model. In such a case our ability to recover our costs associated with operating the scheme would be significantly impaired which could add an unanticipated budget pressure of the service.
- 6.5.2 The Permit scheme has demonstrated its ability to control and aid the co-ordination of road and street works in the borough. Failing to operate a permit scheme effectively reduces our ability to effectively manage such works and minimise their impact on the travelling public and other road users.
- 6.5.3 Based on the available information it is the officers' opinion that there are no net "Red" risks to the Council associated with the recommendation of the report. The Corporate Risk Management Approach has been complied with to identify and assess the significant risks associated with this decision / project. This includes (but is not limited to) political, legislation and reputation risks.
- 6.5.4 The Approach is not intended to eliminate all risks and not all the risks identified can be managed all of the time. Also, risks will still exist that have not been identified.
- 6.5.5 Based on the available information it is the officers' opinion that there are no net "Red" risks to the Council associated with the recommendation of the report.

6.6 Equality implications:

- 6.6.1 The operation of a successful and efficient highway works permit scheme has the potential to significantly reduce road and street work occupation. This reduces both delay and clutter on the highway and in the public realm which aids and enables all people to access and use this public asset.
- 6.6.2 Reducing occupation of roads and public space is a particular benefit for vulnerable road users, such as those with sight loss, to whom poorly planned and laid out traffic

management can form a significant hazard and barrier to accessing facilities and services.

Details of road and streetworks are published on the one.network public facing portal which is available to everyone free of charge and can be accessed on any internet enabled device. This provides access to information on when and where works are taking place, enabling people to make informed decisions as well as providing contact details should they need to raise an issue.

7. List of appendices referred to

- 7.1 Appendix A - SMBC Permit Scheme Evaluation Report - Year 1
- 7.2 Appendix B – SMBC Permit Scheme Performance Summary – Year 2

8. Background papers used to compile this report

- 8.1 NA

9. List of other relevant documents

- 9.1 Solihull Permit Scheme Order Document
- 9.2 The Traffic Management Permit Scheme (England) (Amendment) Regulations 2015