

<b>DECISION-MAKER:</b>	CABINET		
<b>SUBJECT:</b>	SOUTHAMPTON PERMIT SCHEME FOR THE MANAGEMENT OF ROADWORKS AND OTHER ACTIVITIES ON THE ROAD NETWORK		
<b>DATE OF DECISION:</b>	18 NOVEMBER 2014		
<b>REPORT OF:</b>	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>John Harvey</b>	<b>Tel:</b> <b>023 8083 3927</b>
	<b>E-mail:</b>	<b>John.harvey@southampton.gov.uk</b>	
<b>Director</b>	<b>Name:</b>	<b>Stuart Love</b>	<b>Tel:</b> <b>023 8083 4428</b>
	<b>E-mail:</b>	<b>Stuart.love@southampton.gov.uk</b>	

#### **STATEMENT OF CONFIDENTIALITY**

Appendix 1 of this report is not for publication by virtue of categories 3 (financial and business affairs), and 7A (obligation of Confidentiality) of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution.

It is not in the public interest to disclose this information as the Appendix contains confidential and commercially sensitive information supplied by the Council's Service Provider. It would prejudice the Council's ability to operate in a commercial environment and obtain best value in contract re-negotiations and would prejudice the Council's commercial relationships with third parties if they believed the Council would not honour any obligation of confidentiality.

#### **BRIEF SUMMARY**

The Southampton Roadworks Permit Scheme (SoRPS) will ensure that future roadworks and activities on the road network are planned and coordinated under additional powers provided by The Traffic Management Act 2004.

The Department of Transport are considering a request for Southampton City Council to take on these additional powers and are expected to recommend technical approval in early November 2014.

This report seeks Council approval to the implementation of the Southampton Permit Scheme so that when the approval letter is received, the scheme can be implemented by 31<sup>st</sup> March 2015.

#### **RECOMMENDATIONS:**

- (i) To approve the implementation of the Southampton Roadworks Permit Scheme (SoRPS) subject to the Department of Transport (DfT) providing technical approval of the scheme and subject to recommendations (ii) and (iii) of this report.
- (ii) To delegate authority to the Director, Place, following consultation

with the Cabinet Member for Environment and Transport and the Chief Financial Officer, to formally approve the implementation of the scheme to the DfT and in doing so, ask the DfT to make a Statutory Instrument to empower the scheme.

- (iii) To delegate authority to the Head of Contract Management, following consultation with the Cabinet Member for Environment and Transport, the Director, Place and the Chief Financial Officer, to approve changes to the Highways Service Partnership contract to allow the Council's Highways Service Provider Balfour Beatty Living Places Ltd to undertake works relating to the Permit Scheme on the Council's behalf, provided that commercial close and the contract amendments are in accordance with the parameters described in Confidential Appendix 1 of this report.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. The Department of Transport (DfT) has agreed to carry out technical approval of the Council's submitted proposal and make a Statutory Instrument (SI) to provide new powers to operate the scheme.
2. The technical approval letter from the DfT should arrive in early November 2014. It will be necessary to respond to this letter within a four week window to meet their scheme implementation deadline of 31<sup>st</sup> March 2015.
3. The scheme will require additional staff and resources to manage the new process. These will be provided by Balfour Beatty Living Places (BBLP). The size of the change is enough to require an amendment to the Highways Service Partnership (HSP) contract. This is covered further in the confidential Appendix 1.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

4. The Council could continue to manage the network using the existing New Roads and Street Works Act 1991 (NRSWA) legislation. However, this would not provide the same level of control or deliver the same benefits as the proposed Traffic Management Act 2004 (TMA 2004) Permit scheme.
5. The existing NRSWA legislation provides less coordination powers for works within the highway. Only limited information, which is subject to change without consent, is made available by works promoters. This leads to greater disruption on the network which affects all road users especially public transport services.
6. The existing scheme is currently fully funded by the Council. The new Permit Scheme seeks to be self-funding via a payment system for administration services by works promoters.
7. The Council could delay implementation of SoRPS until after March 2015. A scheme introduced after this date could be approved by the Council without the need to apply to the DfT for a SI. However, schemes that are approved by the DfT have the advantage of a robust technical appraisal by experts in the field at no cost to the promoting Council and is therefore considered less open to challenge. The submission is already with DfT and there is no benefit to delaying the scheme commencement.

## **DETAIL (Including consultation carried out)**

8. Currently, Statutory Undertakers, primarily utility companies, have rights to dig up and place their apparatus in the street subject to compliance with the notification requirements of NRSWA.
9. The cost of the disruption caused by these essential utility works to the UK economy is estimated to be £4.3bn per year (at 2002 prices).
10. Part 3 of the TMA 2004 and associated Regulations (2007) give Councils the power to establish a new Permit Authority and operate a permit scheme requiring all works promoters, including the Council itself, to apply for permits before carrying out works or activities on the highway.
11. The proposed scheme for Southampton will impose chargeable permits on all roads with a sliding scale of charges depending upon location and nature of the works.
12. New permit fee revenue will be derived from statutory undertakers and other works promoters. This will fund the increased staff resources necessary to manage this aspect of the scheme.
13. This new revenue will enable the Council to manage road works more effectively and impose permit conditions to better control what happens, when and how it is undertaken.
14. The requirements, contents and way in which the Permit Schemes must operate are specified in the Permit Regulations and supplemented by statutory and operational guidance issued by the DfT.
15. The DfT guidance is very clear that schemes should not generate surplus revenue and that income should therefore only be used to meet allowable scheme costs.
16. The SoRPS has been the subject of consultation with interested parties during April / May / June 2014. The consultation document, comments received and officers' responses to these are included in the scheme application pack that was submitted to DfT on 31<sup>st</sup> July 2014. Copies of the pack are available in the Members Meeting Room or alternatively are available for inspection by calling at Reception at One Guildhall Square Southampton and asking for John Harvey, Highways Manager.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

17. One-off set up funding of £115,000 has been made available from the On Street Parking Reserve to design and implement the scheme. A proportion of this, approximately £70,000 will be eligible for recovery through the SoRPS during the first three years of operation. This expenditure is in accordance with the regulations that govern the use of the On Street Parking Reserve.  
  
Other set up costs will be incurred by BBLP and will also be recovered from the SoRPS over the same timescale.
18. It is intended that the SoRPS will be self-financing. Income from fees shall not exceed the total allowable costs prescribed in the Permit Scheme Regulations

set by Central Government. In the event that fees and costs do not match, adjustments are made to the fee levels for subsequent years.

19. The maximum charges for permits under the scheme are set by regulation.
20. Monitoring and permitting of the Council's own highways work will be met from existing revenue budgets. The equivalent activity is currently carried out by BBLP under the HSP.
21. The Network Management function including all NRSWA activities are carried out by BBLP. It is proposed that BBLP will carry out most functions of the SoRPS on behalf of the Council. Accounting processes will be in place to demonstrate the level of income received and its use in delivering the service.
22. The HSP contract with BBLP for most highways functions including those associated with the Network Management function will need to be amended to take into account the SoRPS. The details of these proposed changes are shown in the confidential appendix to this report.
23. The SoRPS will have minimum risks for the Council as the service will be managed by BBLP who will have the major risks associated with covering scheme costs through income generation.

#### **Property/Other**

24. BBLP will secure appropriate accommodation to run the SoRPS scheme.
25. There are no property implications for the Council.

#### **LEGAL IMPLICATIONS**

##### **Statutory power to undertake proposals in the report:**

26. The Council as Local Traffic Authority has powers under Part 3 of the Traffic Management Act 2004 and The Traffic Management Permit Schemes (England) Regulations 2007 (the Permit Regulations) to implement and operate a scheme subject to the Secretary of State making the necessary Statutory Instrument.

##### **Other Legal Implications:**

27. Where the scheme is implemented on specified streets, and in accordance with the Regulations, the permit scheme will result in the disapplication and modification of the following sections of the NRSWA:
  - Sections of NRSWA disappplied: s53; s54; s55; s56; s57; s66
  - Sections of NRSWA modified: s58; s58A; s64; s69; s73A; s74; s88; s89; s90; s93; s105; Schedule 3ARegulations modified: The Street Works (Registers, Notices, Directions and Designations)(England) Regulations 2007 SI 2007/1951
28. Changes to Section 58 (restrictions on works following substantial road works) and Section 74 (charges of occupation of the highway where works are unreasonably prolonged) apply only to Statutory Undertakers activities.
29. The SoRPS will include arrangements so that similar procedures are followed for Highway Authority promoted activities in relation to timing and duration, in

order to ensure there is parity of treatment for all works promoters.

## **POLICY FRAMEWORK IMPLICATIONS**

30. The SoRPS will improve the coordination of roadworks carried out and therefore reduce the number of excavations. In addition, the charge for permits will encourage works promoters to carry out works right first time and hence avoid unnecessary permit charges. Over time SoRPS is expected to achieve a noticeable improvement in network condition
31. The SoRPS is fully in line with the Local Transport Plan. The objectives of the scheme will also reduce congestion through more robust management of the network with associated reductions on CO<sub>2</sub> and NO<sub>x</sub> levels. These will in turn assist general health levels.
32. The Transport Asset Management Plan (TAMP) for the City sets out the future investment levels for highway expenditure to maintain the network condition.

**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	ALL
------------------------------------	-----

## **SUPPORTING DOCUMENTATION**

### **Appendices**

1.	Confidential Appendix 1
----	-------------------------

### **Documents In Members' Rooms**

1.	Copy of full scheme application pack to DfT 31 <sup>st</sup> July 2014 (14 documents)
----	---

### **Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
--	----

### **Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at: Reception One Guildhall Square Southampton – Ask for John Harvey Highways Manager.**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
------------------------------	--

1.	None	N/A
----	------	-----