



London Permit Scheme

Review of Streetworks & Networks Management Performance and Feasibility of Introducing a Permit Scheme

London Borough of Merton

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1. Introduction to Current Streetworks Legislation

Streetworks related legislation in England has been changing on a regular basis over the last twenty years. The New Roads and Streetworks Act 1991 (NRSWA) was enacted in 1993 and is still the foundation upon which new streetworks legislation is built.

NRSWA has been joined by the Traffic Management Act 2004 (TMA). The streetworks part of this legislation was enacted in 2008 and affected all parties involved in the streetworks arena. In particular the Traffic Management and Network Management Duties have been imposed on every council in England to ensure that each council manages their road network through the effective co-ordination of all activities taking place within their streets. This includes streetworks undertaken by Statutory Undertakers (Utilities Works Promoters) and works undertaken by Councils such as road resurfacing, pot holes, street lighting.

The Traffic Management Act imposes requirements on each council by the way of a Network Management Duty. Councils must develop their own Network Management Plan.

Each council must appoint a Traffic Manager to ensure the effective co-ordination of all works within the borough. They must ensure the expeditious movement of all traffic within the borough, consider adjoining road networks, supply information to a local website, and manage all activities on the street including streetworks, public events (i.e. Wimbledon), skips and scaffolding.

Whilst the TMA has imposed many duties upon Councils, it has provided significant tools to allow the effective co-ordination of streetworks and has enhanced current NRSWA powers through the introduction of the following key instruments:

Direction Notices through EToN (Electronic Transfer of Notices)

NRSWA Sections 56 and 66 have been bolstered through the introduction of notices that can be sent electronically to all undertakers. They allow direction of timing and location. Furthermore Undertakers can be forced to work in a more expeditious manner through the use of Section 66 (undue delay) Notices. In fact more than 30 EToN notices now exist to allow the free flow of information between Councils and Works Promoters.

Fixed Penalty Notices

The TMA allows councils to deal with notification offences and improve performance through the issue of Fixed Penalty Notices. These allow a Statutory Undertaker to discharge liability to conviction by way of payment of a Fixed Penalty Notice. Fixed Penalty Notices can be issued to Council works departments and Contractors; however, unless contracts have been recently written to include management fees at risk for poor performance they have little or no financial impact.

Extended Notice Periods

Notice periods have been extended to ensure that all planned works are notified further in advance. This gives each council more notice of works and allows more time to assess their impact on the highway.

Far Reaching Requirements of the Traffic Management Act

The TMA has far reaching implications and goes beyond the requirements of NRSWA and the overall co-ordination of streetworks. The breadth of duty has been expanded to include the following:

- Managing different road types
- Monitoring the road network
- Identifying hotspots
- Planned events
- New Technology
- Parking regulation and enforcement
- Service traffic
- Review of networks

2. Current Streetworks Notification System

NRSWA and the TMA are underpinned by the Electronic Transfer of Notices (EToN), a two-way notification system between councils and all works promoters. In England and Wales each Utility and Council has their own EToN system. Utilities send notices via the internet generally in the following order to each council affected by their works:

- Notification in advance of planned works including grid co-ordinates.
- Notification of works in progress.
- Notification of completed works.
- Registration of exact trench details reinstated.

The TMA and NRSWA dictate the notice periods and data requirements. There are almost 40 notice types involved in the co-ordination process, many of which LBM have to deal with on a daily basis.

It is the council's statutory duty to provide a system to receive these notices. The information supplied is utilised to co-ordinate all proposed and ongoing works and ensure that they highway is kept as clear as possible and the expeditious movement of traffic and pedestrians is maintained. A Majority of councils link mapping functionality to aid the co-ordination process.

Every month, each council is required to submit essential street information to the streetworks industry via a Street Gazetteer. Essential data includes Traffic Sensitive Streets and Engineering Difficulty including bridges and rail crossings.

Notification of works in progress by all promoters allows LBM to carry out on-site investigations as to the quality and effectiveness of signing, lighting and guarding.

Registration Notices start a 2-3 year guarantee period on reinstated trenches and are used to trigger chargeable Inspections to ensure the quality of reinstatements within the borough.

To ensure levels of parity, the TMA requires council works promoters to send notification of works, therefore LBM allows the use of their own system (Confirm) to log activities carried out on behalf of the council.

3. Limitations and Risks Associated With the TMA

The TMA has empowered councils to effectively co-ordinate and whilst sufficient tools have been made available, councils may struggle to fulfil all their duties for the following reasons:

Parity

The TMA requires all council works to be co-ordinated alongside those of Statutory Undertakers. Key Parity Indicators force Councils to show a level of parity in how they deal with works from all promoters whether they are being notified by Statutory Undertakers or Council Works Promoters. These expectations put an extra burden on the administrative and operational sections within the Council Streetworks department.

Improvement of Performance of All Parties

Issue of Fixed Penalty Notices and performance indicators for all parties has created another burden upon resources and whilst provide an income; ultimately they should be used to improve performance. If improvements are not made by FPNs, the council must consider prosecuting offenders.

Intervention Levels

Failing to effectively carry out its duties can lead to Intervention by the Department for Transport (DfT). Intervention levels can vary but ultimately the LBM Traffic Manager and his team can be removed by the DfT and replaced with External Companies who will carry out all the duties required. LBM would be required to pay for these activities.

4. Permit Schemes

The TMA has recently allowed the introduction of Permit Schemes. Permit schemes further enhance the powers of Highway Authorities to control works and allow for charges to be levied against works taking place in the Highway.

London has introduced its own scheme known as the London Permit Scheme (LOPS). 17 London Boroughs went live with LOPS in 2010 and a further six have proposed to start new schemes in the early part of 2011. Boroughs close to Merton have joined the permit Scheme. These include Croydon, Wandsworth and Bromley.

Permit Schemes allow councils to refuse applications if unsuitable and ensure they are fit for purpose before approval. Under LOPS rules, granted permits are chargeable and cost Statutory Undertakers between £45 and £245, depending on the works type. Council Works Promoters also have to apply for permits but are not charged for any granted activities.

Permit schemes have a massive administrative impact on the council. These, in theory, are fully funded by a Permit Scheme where Statutory Undertakers are concerned, however, due to parity rules any extra burden imposed due to Council Works Promoters activities must be funded by the council.

Councils must carefully calculate exact charges to ensure that costs are covered and that profits are not made. Profits may have to be repaid by way of rebates and/or discounted permits in future years. The money is effectively ring fenced and should be used only for activities identified by the Permit Scheme.

NB Permit Schemes in no way reduce the amount of works being undertaken in the Highway.

5. London Borough of Merton Scope of Study

With the advent of Permit Schemes within London, the London Borough of Merton has employed Streetwork Solutions Ltd to carry out a study to ascertain the following:

- **Current levels of compliance in line with duties imposed on the council by the Traffic Management Act in relation to streetworks and other planned or unplanned events .**
- **The benefits and drawbacks of joining the London Permit Scheme (LOPS) and its preparedness to do so.**

6. Investigations

Key Factors

To carry out this study, Streetwork Solutions Ltd has carried out investigations of the following key factors influencing the overall performance of the LBM streetworks co-ordination team:

- Structure and Resources (10% of time spent during study)
- Training (5%)
- Business Processes and Working Practices (10%)
- Co-ordination Systems (20%)
- Co-ordination Role and Levels of Parity including views from external bodies (45%)
- Performance Monitoring of Public Utilities and Internal Works Promoters (10%)

Methods of Investigation

Street Works Solutions Ltd used the following methods and techniques in this investigation:

- Review of current business processes and procedural documents supplied by the client.
- Interview of managers and key staff undertaking streetworks activities.
- Analysis of performance data supplied by the client.
- Analysis of volumetric data supplied by the client.

7. Findings

NB All findings are supported by the information supplied in table 3.

Table 1 – High Level Performance Ratings

Performance Levels in line with Networks Management Duties in relation to co-ordination of activities affecting streets within the borough	Performance Rating	Risk Of Intervention by Secretary of State
Current performance in line with Network Management Duties	High	Low
With positive changes recommended	High/Very High	Low/Very Low
With the immediate introduction of permit scheme	Medium/Low	Medium/High
With the structured introduction of permit scheme following recommended changes	Very High	Very Low

Table 2 – Snapshot Detailed Performance Rating

Green=low risk.

Amber=medium risk.

Red=high risk.

Service	Risk
Structure and Resources	
Staff Levels for current duties	Red
Succession planning	Amber
Training	
Training programmes and development plans	Amber
EToN system training	Amber
Business Processes and Working Practices	
Business processes for key activities	Amber
Procedures available to all staff	Amber
Co-ordination Systems	
Functionality of LBM Co-ordination systems.	Amber
Reliability and speed of use of systems. IT Platforms and desktop PCs	Amber
Use of technology and hand held devices	Amber
Use of Excel to log key activities including Fixed Penalty Notices and agreement details	Green
Use of external systems to aid co-ordination where required i.e. London Works website	Green
Co-ordination Role and Levels of Parity	
Co-ordination of major works and works requiring traffic management	Green
Co-ordination of standard and minor works	Green
Co-ordination of unplanned works – Emergency and Urgent	Green
Co-ordination around key events within borough i.e. the Wimbledon Championships	Green
Engagement with key community, business and emergency groups	Green
Sharing of information with key stakeholders and customers through website	Green
Management of Licences (Section 50, Skips & Scaffolding) and Temporary Traffic Orders	Green
Management of Registration Unit information for Major Works	Amber
Views of external organisations	Green
Use of all available EToN notices for co-ordination	Green
Notification and logging of resurfaced streets	Green
Performance Monitoring	
Management of Internal Works Promoter Performance	Green
Management of Statutory Undertaker Performance	Green
Parity levels displayed between Statutory Undertakers and Internal Works Promoters	Green

LBM provides an effective service to members of public and other parties interested in planned and unplanned events, mainly streetworks within the borough. It supplies information to all relevant groups via an excellent website service and the attendance of key neighbourhood and local business forums.

LBM currently fulfils its Traffic Management Duties in line with its own Network Management plan in relations to streetworks activities and other events impacting the streets within the borough. However, a small number of improvements can still be made.

8. Key Issues from Findings

Structure and Resources

The streetworks team is a relatively small section and not adequately resourced to carry out every activity required to fully meet the duties required by the Network Management Duties imposed by the Traffic Management Act.

Training

System training requirements have been identified; however, LBM finds it difficult to receive acceptable levels of training from the current IT suppliers. So much so, that much of the latest EToN5 training has not been received and staff are not all aware of the latest notice types and requirements.

Business processes and working practices

Activities are not managed, guided or controlled through the use of effective business processes. This is a potential weakness and may affect overall performance and effectiveness of the streetworks unit in the longer term

Co-ordination Systems

LBM streetworks systems and IT Infrastructure currently puts LBM duties at risk for the following reasons:

- Old IT platform and Desktop machines – LBM staff cannot co-ordinate effectively due to slow response times and limited functionality. System often crash and can take up to 45 seconds to refresh between screens. Key co-ordination tools such as mapping cannot be used effectively. LBM relies on external systems and maps to effectively co-ordinate
- Day to day activities and management reporting are affected by slow response times. Also, the lack of user configuration on the current system stifles innovation
- New versions of Confirm cannot be installed onto active servers. Therefore, LBM is running with out of date versions and functionality
- Enhancements to Confirm cannot be purchased or even trialled until IT platforms and other hardware allow the efficient use of the current system version
- LBM cannot even trial new IT systems from other system providers until Platforms are modernised

Co-ordination Role and Levels of Parity

The council has developed its own comprehensive Network Management Plan, detailing how it will fulfil the legislative requirements imposed upon it by the TMA.

LBM manages the current Network Management Duties to the best of its ability even though it struggles and will continue to struggle due to a lack of skilled resources. Currently the streetworks co-ordination role is under resourced.

LBM manages these resource shortages through concentrating on the key duties imposed by the TMA Network Management Duties and ensuring essential co-ordination activities take place, in particular for the streetworks which may cause the largest impact on the street.

LBM relies on too few staff holding key knowledge and roles.

Performance Monitoring

Performance of all works promoters is effectively managed through accurate reporting, sharing of performance figures with all parties and where necessary the use of Fixed Penalty Notices and Prosecutions for repeat offenders.

9. Recommendations in Relation to the Introduction of a Permit Scheme

In the view of SWS, our client should consider running a Permit Scheme as part of the overall LOPS group within London. However, the scheme must not be considered further until the following measures have been implemented to improve current performance levels and the streetworks section is fully staffed with the correct number of new staff in place (as defined by the LOPS resourcing spreadsheet), fully trained on day 1:

- Performance of Internal Works Promoters notification of works improved to at the very least a level on par with that of Statutory Undertakers.
- IT Platforms and hardware include PC's are replaced.
- The Confirm system and associated mapping facilities are brought up to date with latest version and considered to be fully functional by users and management for day to day co-ordination activities and management reporting.
- Other streetworks systems are tested and if necessary purchased as a replacement to Confirm if it is considered by LBM not to be fit for purpose.
- **LBM is resourced correctly in line with current duties with skilled staff and is comfortable that the full Network Management Duty is being met. It is considered that to ensure improved compliance a minimum of 1 streetworks Inspector, 1 streetworks co-ordinator and 1 administrative assistant (to support the previous two roles and two current management roles) would be required.**
- Business processes are developed for current working practices to allow for volumetrics and potential changes to be plotted. Full EToN training is given to all staff incorporating the latest system changes, business processes and legislation.

Introducing a permit scheme now, without all of the above changes taking place would place LBM at significant risk of failure. It is likely that the following issues would be present within weeks of implementing the scheme:

- Reduced compliance with even less streetworks notices than at present being analysed.
- Permits deeming through to a lack of co-ordination staff being able to deal with Permits within the prescribed timescales. Therefore financial income may not match projected income.
- Inability to effectively impose and manage conditions on permits, from both a co-ordination and site inspection perspective.
- More Confirm system issues due to increased notice traffic. Potential system slowdown, EToN technical issues and notification failures.

- Management Information being either difficult or impossible to develop and run, therefore performance data in line with the Network Management Duty and the requirements prescribed to run a permit scheme would be, at the very least, onerous and delayed.
- Works clashing and being missed due to a lack of reliable mapping facilities. Potentially, promoters may turn up at the same sites at the same time (After paying a Permit for a clear street).
- Current parity levels between Council Works Promoters and Statutory Undertakers being eroded as the stretched workforce would have to concentrate on the co-ordination of Statutory Undertakers or risk losing income.
- Potential reporting of non compliance with schemes to the DfT by Statutory Undertakers.

10. Planning for a Permit Scheme

After the above measures are in place LBM must consider the potential benefits to road users and members of public created by the possible introduction of a Permit Scheme.

Benefits

- Financial income to pay for new staff, IT hardware, training, hardware, new co-ordination systems to carry out the permitting function for Public Utility. Costs in relation to managing Local Authority Works must be absorbed by LBM.
- The resource to consider and co-ordinate 100% of applications made by all promoters within the borough.
- The ability to refuse applications and impose restrictions and constraints upon undertakers.
- The resource to inspect more works in progress and ensure compliance with permit conditions.
- Consistent approach with a large majority of other London Councils.

Drawbacks

- The streetworks department must be fully staffed with all required members of staff (Potentially more than 5 staff over and above current required levels in the addition to the three new staff required now), fully trained in place prior to any go –live (and up to six months before permit fee money to be paid on initial invoices)
- **Permits would only play a small role within the Network Management Duty as a whole. Improvements for road users may only be minor.**
- Costs can only reflect new duties and activities over and above present practices for TMA
- Planning and implementing a major change programme into LBM to introduce the scheme before any financial income from such a scheme.
- Providing a consultation vehicle for all affected parties.
- Planning and making required system and process changes.
- The need to recruit more new staff. This includes provision of training, pensions and facilities including office space and equipment.
- Members of Public potentially being charged by some undertakers for required Permit Costs. Justification of the scheme to such members being referred to LBM by Statutory Undertakers.
- Potential repayment of excess monies not spent on the ring fenced scheme.

- The additional cost to the council charge-payer of around £100k per year to finance the additional staff and resources needed to ensure that works promoted by Merton are treated in the same way as those of the public utilities.

Appendix A

Table 3 - Investigation items and detailed findings

Structure and Resources	
	<p>The Streetworks organisational structure has been designed to make the most of the limited resources currently available to the management team. Resource levels, whilst low for the volume of work, have been aimed at the key roles to ensure TMA compliance wherever possible. For example, adequate resource is put into the co-ordination of major works, works which generally have the greatest impact on road users within the borough whereas inadequate resources are in place to effectively check and co-ordinate minor and standard works.</p> <p>It is judged that the lack of resources directly puts LBM at risk of failing to completely meet all of the Traffic Management Duties. LBM appears to be very much reliant on goodwill, low levels of absenteeism and low staff turnover</p> <p>Furthermore, staff at a management level clearly have to carry out day to day tasks that should be covered by staff from lower grades. More information regarding this is made available later in this report.</p>
	Succession Planning
	<p>Currently LBM has no succession planning process for the Streetworks Team. With a younger core of staff currently working on lower level roles within the organisation, LBM must consider training and developing these staff to:</p> <ul style="list-style-type: none"> • Cover for absenteeism. • Encourage staff to stay within the department in reduce the risk of high staff turnover. • Ensure skilled staff are ready to fill the roles in the case of retirement or promotion. <p>Senior staff should be encouraged to mentor the junior staff. LBM should develop a programme to ensure that this happens.</p>

Training

Staff

Key staff, including managers, have received training for Inspections. Also, staff that have shown potential to carry out different and more complex roles have been sent on this training. Not only has this ensured high levels of knowledge in this area, more junior staff will appreciate the investment being made in their development. This approach will reduce the potential of staff turnover which is an essential factor in an organisation which has limited resources carrying out skilled roles.

Legislation and training system has been limited. Staff receive on the job training but due to a lack of training services provided by the Confirm system providers, staff has not received sufficient training in line with the Traffic Management Act.

No EToN 5 training has taken place therefore staff have to make themselves aware of developments such as:

- Unattributable Works – LBM has sent very few of these notices and all staff are not aware of the three new EToN notice types involved. Also there is a lack of awareness around work statuses and works phases involved.
- Section 50 Intention to issue licence – LBM has sent none of these even though they have been in existence for almost 18 Months.
- Multiple Section 55 notices on major works with extension to validity period functionality. Staff have made themselves aware of these changes.

Managers Role

Evidence indicates that Managers are agreeing early starts, extensions etc on a regular basis. Furthermore, managers may be carrying out activities such as updating web pages. This is done purely to support their staff and to ensure key TMA roles are carried out. These Managers require either administrative support or to ensure these activities are carried out by their staff. Due to the current resource levels, this is not possible at present; however, plans are being made to develop a current member of staff to undertake some of these duties.

Business Processes and Working Practices

	<p>Processes and Procedures</p>
	<p>LBM has very few business processes or detailed procedures. It is judged that less than 10% of LBM Traffic Management duties are supported by business processes.</p> <p>The processes that do exist are of a level that is too high to direct a member of staff to carry out the required activities.</p> <p>This affects LBM's ability to:</p> <ul style="list-style-type: none"> • Provide a consistent approach and improve levels of parity. • Train and develop new and existing staff. • Assess workloads. • Calculate current performance levels. • Successfully introduce change. • Introduce targets or outcomes to be allow measurement of performance.
	<p>Appropriate Works Description</p>
	<p>Works Descriptions supplied by Utility Promoters are at best adequate on the Notice data supplied by LBM. Poor works descriptions do not justify proposed durations and should be challenged duly. Works Descriptions should accurately reflect the exact activities taking place on the highway. Each description should detail the following:</p> <ul style="list-style-type: none"> • The exact works taking place in the highway. • Why they are taking place. • How they are affecting the street and the movement of traffic and pedestrians. • How traffic sensitivity is being affected where applicable. <p>Currently LBM is over reliant on the experience of 1 or two key staff to make assessment on works descriptions on initial opening notices and to challenge durations when required.</p>
	<p>Correct Works Categories</p>
	<p>Extension requests are high for one Statutory Undertaker. Minor works are being extended on a regular basis indicating that the incorrect works category has been used on the initial notice.</p> <p>Whilst LBM does monitor most works for unreasonable durations, it does not always consider the likelihood of possible overruns and extensions due to incorrect works categories being used. Due to the quality of descriptions on notices at present, this may be difficult at the early stage of works. This however does not stop LBM from considering matters at the end of works and sharing this information as part of the Dashboard results. <u>It is understood that LBM has already shared some of this information with one Statutory Undertaker.</u></p>

	Correct Traffic Management Codes
	LBM has no process to check the accuracy of Traffic Management Codes used on initial notices from all works promoters. There is no process in CONFIRM to add this information to Sample A Inspection sheets to allow the inspector to judge the accuracy of notices and their impact on the highway. LBM has an excellent informal process whereby if an Inspector sees traffic signals on a streetworks site, the office is contacted to ensure that the relevant agreements have been made with the undertaker. Investment in mobile working technology would help to overcome this issue
	Contacts Used
	<p>Contacts under ETON 5 rules are not mandatory; however, they are most useful when it comes to contacting the correct supervisor/manager when issues arise with works in progress. This is the case in particular with Signing, Lighting and Guarding inadequacies.</p> <p>This information at present is not supplied to Inspectors to allow them to make calls directly to the responsible person when carrying out Sample, routine and Investigatory Inspections. Investment in mobile working technology for all Inspectors may overcome this problem as they will have the ability to view works details whilst in the field.</p>
	Inspection Units Accurately Registered in Line With COP Inspections
	<p>Currently, there is not a process to check that Utility promoters are registering the correct amount of Inspection Units in Line with the Codes of Practice for Inspections. A random sample of 10 registered major works has indicated that an unacceptable number of works have been registered with too few Inspection Units.</p> <p>2 staff when questioned about this matter had no concerns and believed there was no issue. The example below, however, prove that works are not being registered correctly</p>
	Example 1
	4WQG/VMR/MCN/031 from Thames Water, registered with 18 small trenches and two trenches between 10 and 200 metres in Length. These works, at the very least 2 Units should have been Registered. If the two longer trenches counted as mains trenches but had an aggregate length of less than 200 metres, then 3 Units should have been registered.
	Example 2
	4WQG/VMR//MCN/023 from Thames Water. 17 trenches with only 1 Unit registered. This should have been registered with a minimum of two units. With Major works being dealt with in such a comprehensive manner, from co-ordination, all the way through to extensions and S74 Closure, it is surprising that LBM is not aware of how accurately works are being registered. This could be addressed by agreeing the amount of Inspection Units to be registered at the initial site meeting.

	<p>With 20% of the examples provided showing inadequate Inspection Units, LBM is not receiving the correct Units from Major Works. This impairs the ability of LBM to accurately assess the exact amount of cat A,B and C chargeable Inspections. Potentially losing out on the reasonable financial income to support the full number of inspections required by the NRSWA Code of Practice for Inspection 2002. Whilst Major Works only account for 1.5% of works notices, they account for a significantly higher proportion of Inspection units.</p> <p>Enhanced reporting facilities within the Confirm system (if available) would make the checking process less onerous.</p> <p>PARITY</p> <p>Whilst the TMA has no requirement for a Highway Authority Works Promoter to register works, some Local Authorities use the registration units to decide the level of CAT A, B and C non-chargeable Inspections to carry out on their own works.</p> <p>With so many (300 plus) expired notices where works may have taken place, even if works were meant to be registered, volumes would be adversely affected.</p>
	<p>Cancellations</p>
	<p>The 300 plus LBM Works Promoter notices which remain at ‘proposed’ state within Confirm may be classed as outstanding cancellations of works have not taken place. A proportion of these works may be works that have be completed but Confirm has not received the follow-up notices such as Actual Start, Works Stops and Registrations.</p> <p><i>Furthermore, it is a Criminal Offence for Utility Promoters not to cancel works within the prescribed timescales.</i></p> <p>LBM FPN practices will normally wait for this notice to be received late with a Confirm system warning before an FPN is issued. Offences are being commissioned but outstanding unclosed or works not cancelled on time are only generating FPNs on receipt of a notice creating a warning.</p> <p>ETON batch failures may cause some of these issues.</p> <p>LBM may wish to issue either Works Comments or FPNs to ensure these notices are sent</p> <p>Enhanced reporting facilities within the Confirm system (if available) would ensure that this information could be obtained in a more efficient manner.</p>
	<p>Use of Polygons By Internal Works Promoter</p>
	<p>LBM Council Works Promoters do not always use polygons to plot areas of works. Generally centre points co-ordinates are being used. As LBM does not always co-ordinate through Mapping errors and warnings in the Confirm system, it is more important at present to receive notices with accurate Centre points where notified (Minor, Standard and Emergency Works). Confirm mapping issues prevent progress in this area.</p>

	Number of Works Notices sent by Internal Works Promoter
	<p>LBM has an excellent working relationship with its own Internal Works Promoter. It has supported and advised the Highways maintenance Department and their Contractors during the introduction of noticing for internal works within the borough.</p> <p>Numbers of works notified by LBM Internal Works Promoters has increased significantly. The high volume (Patching) and high profile (resurfacing works) are being notified on a regular basis, however it is not clear that all works types are being notified correctly.</p> <p>Works that require notification include the following:</p> <ul style="list-style-type: none">• Gully Works• Lights and Signs• Signposts• Patches – repairs• Pedestrian Crossings• Bridge Inspections• Pavement Building• Resurfacing• Street Lighting Installation• Vehicle crossings• Drainage repairs• Bus shelter• Ditches• Hatching/road markings• Cats eyes• Bus stops

Co-ordination Systems	
	ETON systems are the key tool to allow any Highway Authority to effectively co-ordinate works within their borough. Currently the LBM system Confirm causes delays and issues for LBM.
	IT Platforms and Hardware
	Currently the Confirm system sits on an 8 year old Server and Platform. Furthermore Desktop PC's are not up to the specification required to run the system effectively at the user end. This has led to the following issues:
	System Slow Down and Crashing
	Day to day use of the system is impaired by extremely slow response times. For example, after locating a streetworks record, an attempt to fire up the map (an essential part of the co-ordination process) took 42 seconds. This is far from reasonable and affects every user's ability to carry out effective co-ordination of works. It is estimated that the system will completely crash and log out users up to 5 times per day. The system is so slow that most users do not use mapping to carry out their activities. The functionality is there - it just cannot be used in an effective manner.
	Delayed Reports or no reports at all
	The more complex report defined, the more likely the system is to slow down or crash. This leads to performance and management information being delayed or not being produced at all from the Confirm System. Furthermore, these restrictions stifle innovation and lead to an over reliance on external and non-ETON systems.
	Latest System Installation delayed
	(Current Version 822b –latest version 9.50 supplied but not installed into live environment). Extra functionality may be available in later Confirm updates; however, these cannot be installed into the live environments or used through the current desktop computers.

	<p>Testing and/or procurement of extra functionality for Confirm</p>
	<p>New functionality, such as a Task Summary List (Dashboard) for example cannot be tried and tested when the current system cannot even reach its full potential due to IT constraints. Further functionality such as mapping pinch points cannot be installed.</p> <p>LBM cannot fully assess the effectiveness of new updates and, therefore, cannot even consider the possibility of carrying out a feasibility study to replace the Confirm system. LBM is stuck with current functionality until upgrades can be made to the current platform.</p> <p>LBM CANNOT EFFECTIVELY CO-ORDINATE AND CARRY OUT ITS ACTIVITIES THROUGH THE CONFIRM SYSTEM IN ITS CURRENT STATE.</p>
	<p>Gazetteer</p>
	<p>An extract of LBM Gazetteer data, taken from the NSG hub by a Statutory Undertaker was analysed as part of this exercise. Findings included the following:</p> <p>LBM has 1550 streets on the Gazetteer There are currently 118 Traffic Sensitive Streets on the latest submission 6 random streets were chosen to ascertain the accuracy of grid co-ordinates concerned. Start and end points were entered into the website streetmap.co.uk. All streets were accurately plotted based on NSG information supplied to the streetworks community.</p> <p>LBM uses the correct Organisational District (Authority Works Promoter) to allow notification of works within the Confirm System. All ODs have been transmitted appropriately through ETON. Evidence of this has been gained from 2 Utility systems.</p>

Co-ordination Role and Levels of Parity

View from external bodies

Two external organisations were questioned as to their views on LBM. General views were that LBM:

- Has a good working relationship with Statutory Undertakers.
- Takes its TMA duties seriously.
- Handles FPNs and Section 74 charges in a fair manner.
- Is sometimes slow to back innovation and new working methods (i.e. reinstatement materials).

Co-ordination of Major Works and works requiring Traffic Management

LBM has an extensive and successful Major Works Co-ordination working practice, but as with other activities, no business processes to support such an important part of the Traffic Management Duty.

Major works are dealt firstly through the regular co-ordination meetings where information is shared between all significant works promoters within the borough at an early stage.

Major Works notices received into Confirm are located on a daily basis. Furthermore, London Works is interrogated on a regular basis to search for works within the borough and in streets situated in adjoining boroughs.

Information is supplied on an LBM Website and a weekly bulletin in the form of a 'Disruption Alert' is passed on to councillors, Emergency Services, Buses, Residents Associations, registered interested parties and the media on demand.

A site meeting is held prior to works notification to ensure proposed works are carried out in an appropriate manner. Working methods and reinstatement techniques and materials are agreed at this point meaning when notification is received, the notice data reflects what has been agreed.

Works are Inspected as they are put into progress and managed, through to completion by the same staff member. This generally includes Early Starts, Extensions and Error Corrections.

A questionnaire is given to residents following streetworks to ascertain their perception of how well the Works Undertaker performs, from the receipt of letters prior to works through to the effective and expeditious methods of work undertaken by the respective Undertaker. This information is fed back to the works promoter concerned.

The process does not flow completely to the end of the ETON phase as the data (Including accuracy of Inspection Units and trenches) is not assessed by the staff member involved.

	<p>Whilst this robust working practice deals with Major Works in an effective manner the following points must be made:</p> <ul style="list-style-type: none"> • One of the most important (if not the most important) roles to manage streetworks in the borough is not supported by Business Processes. • Responsibilities are shared by two to three members of staff, generally with little knowledge shared among other staff. • Some clerical roles may be carried out by managers, but this may be due to lack of resource and administrative support. • The Confirm system currently does not effectively support this process due to a lack of management reports and slow functionality. • Inspection unit registration is not being managed for Major Works. <p>Consideration should be given to the following:</p> <ul style="list-style-type: none"> • Agreement of Estimated Inspection Units with the Undertaker prior to the initial Three Month Notice being served. • Check of Registration notices received for all Major works to ensure Inspection Units have been registered correctly in line with Codes of Practice for Inspections. A request for new registration notices with accurate Inspection Units should follow. • Where possible, either a snagging meeting with the Undertaker straight after works have been completed, giving them an opportunity to make good any reinstatement issues at no cost; or a full Category B/C type non chargeable Inspection for all works to ensure reinstatement has been completed to a satisfactory standard.
	<p>Co-ordination of Immediate Works (Emergency and Urgent)</p>
	<p>From a co-ordination perspective Immediate Works dealt with alongside Major Works, being assessed and logged onto bulletins in the same manner. However, it may be the case that they are finished but not closed via ETON. This may lead to outdated information being supplied to external groups.</p> <p>Immediate works can be received at any time during the day. They can take place in Traffic Sensitive Streets and in any other area of heavy traffic use in the borough. As LBM has no pinch point facility to target key junctions or areas via mapping co-ordination is impaired.</p> <p>Whilst the NSG is updated on a regular basis, there is no evidence that LBM has tagged any Traffic Sensitive streets with the TMA designation of 'Subject to Early Notification'. This requires Undertakers to call before Immediate works start on the designated streets and require an agreement PIN number to log and the subsequent opening notice. As Undertakers do not always consult the NSG before starting such works it would be expected that LBM would also make them aware of these key streets through email and /or co-ordination meetings. LBM is currently considering the using this option to improve co-ordination of these works within the borough.</p>

	<p>Immediate works – or not immediate works?</p>
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	<p>Immediate works allow the Undertaker to retrospectively notify works. Any notice works description for this works category must justify the use of a two hour retrospective notice. Works must not be of a planned nature. Due to the high numbers of Immediate works, LBM must be confident that these works are being notified appropriately. Undertakers must not be allowed to bypass the co-ordination process on works that do not belong in this category. This may involve locating a number of such works and questioning the personnel on site over a short period.</p>
	<p>Co-ordination of Standard and Minor Works</p>
	<p>Co-ordination of these works is carried out separately from Major and Immediate Works</p> <p>Mapping is generally not used for these works meaning that clashes and potential clashes of works between promoters may not always be discovered. CONFIRM mapping issues prevent progress in this area.</p> <p>Based upon information supplied by LBM employees, the Confirm system speed and lack of flexibility in terms of day to day management reporting and task management make this process much more onerous than it needs to be. Furthermore, mapping issues prevent progress in this area.</p> <p>The co-ordination process is currently over-reliant on the experience of one key member of staff. This person will do their utmost to view all Borough works before going out on site to carry out Sample and defect Inspections. However it is evident that not every notice is reviewed on a daily basis. 1 member of staff is currently undergoing training to cover the times during the day when the key inspectors are out of the office.</p> <p>As stated previously, Confirm cannot be used to its full potential due to IT issues.</p>

	Fixed Penalty Notices
	<p>Fixed Penalty Notices are a key tool used by LBM to improve performance of Statutory Undertaker and to assess performance levels of Internal Works Promoters.</p> <p>No business processes exist for this key role.</p> <p>Fixed Penalty Notices are issued on a daily basis. The working practice is somewhat disjointed with one person locating the FPN in Confirm, logging the potential FPN on a spreadsheet, passing the spreadsheet on to a second person to send the FPN through the manner elected by each Statutory Undertaker, then updating on the spreadsheet. This is due to the lack of confidence in the Confirm FPN module. FPNS are identified by and experienced officer who passes the administrative task to a junior member of staff. Consideration should be given to developing the skills of a junior member of staff to handle this process from start to finish.</p> <p>Numbers of FPNs withdrawn is low. Payment levels are high. This indicates that current LBM creates and sends FPNs in a pragmatic manner to improve performance rather than to increase financial income.</p> <p>FPNs are mainly generated by Confirm warnings being created on the receipt of a late on inaccurate notice. This is supplemented by working practices for Section 74 and site Inspections.</p> <p>PARITY</p> <p>FPN numbers for LBM works are extremely high. This may be down to factors such external systems batching in to Confirm and failing, therefore showing as late. Input of backlogs will also generate warnings</p> <p>LBM issues FPNs to Internal Works Promoters but obviously does not expect payment and will not chase these through the courts. The information is being used to make LBM promoters aware of their own performance levels and allows comparison with the performance levels of Statutory Undertakers. Furthermore, this information is being supplied to all parties in line with the current Dashboard process.</p>

	Error Corrections
	<p>Error Corrections are logged on a spreadsheet. Numbers of Error Corrections logged are low. It appears that Error Corrections are being logged with other ETON 5 Correction types.</p> <ul style="list-style-type: none">• Works Data Alterations – Certain notice data is corrected with agreement, for example location or description of works.• Validity Extensions (Late Starts)• Work Status Corrections <p>It has been noted that Work Status Corrections are being agreed when works have been closed by the undertaker, a Work Stop notice received with a misleading Charge Category (1). In these circumstances the Undertaker should be instructed not to abandon works but to issue a new Work Stop notice with a Charge Category of 10 or 11 (No Excavation). It is important that the notice history confirms that they were on site. Works should not be abandoned where there was a presence on site.</p>

	Directions and Works Comments
	<p data-bbox="229 338 983 365">Section 56, 56a, 56.1a and 66 Directions and Works Comments</p> <p data-bbox="229 409 1477 580">LBM has no process or working practices to use the ETON 4/5 method to legally direct works, preferring to utilise Works Comments instead. Importantly Works Comments are seen to have no legal standing as they are not viewed as legal NRSWA notices. Furthermore, many Utilities practices and processes are designed to deal with Directions as a priority over Works Comments. LBM may find that not all Works Comments are either responded to, or dealt with in the desired manner by the responsible Utility.</p> <p data-bbox="229 622 1485 685">A very small percentage of works are dealt with through formal Directions. 20 Timing Directions in a year indicates LBM utilises other methods to direct works.</p> <p data-bbox="229 728 1469 831">Works comments may have been used to direct works. Around 1000 Works Comments are served by LBM per annum, however even if it is assumed that a maximum of 20% have been used to direct works LBM are controlling and directing works at a low level.</p> <p data-bbox="229 873 1493 976">Using Works Comments only to direct works firstly make it difficult to estimate the level of directions LBM is giving but also undermines the ability of LBM to take to task any Undertaker who does not comply with the Comments sent.</p> <p data-bbox="229 1019 1485 1081">Therefore Works Comments outside of a Permit Scheme are not an inappropriate method to control and direct works.</p> <p data-bbox="229 1124 1477 1227">Section 66 – There is evidence that LBM issues Section 66 Undue Delay Directions in serious cases when works are either not being carried out in line with agreed methods or not being carried out in what is believed to be an expeditious manner.</p> <p data-bbox="229 1270 316 1296">PARITY</p> <p data-bbox="229 1339 1469 1532">No directions have been issued to Council Works Promoters. This may be a positive result of the excellent relationship being developed between the streetworks team and their own internal works promoter. The streetworks team is involved and offers guidance at the earliest stage of planning, aiding the management of works and associated notices throughout the works. This could give the impression that levels of parity are not being reached.</p>

	<p>Early Starts Granted</p>
	<p>Between June and August 2010 LBM allowed approximately 150 Early Starts and issued PIN numbers accordingly. All were logged on the Excel Spreadsheet. Whilst 150 appears to be a low figure compared to the 3000 plus works in the Borough during the period there is no evidence that LBM actual refuses actual starts.</p> <p>Early Starts are an essential part of the co-ordination process. LBM has a working practice that allows Undertakers to approach them for an early start. If there is a good reason and does not affect other works taking place in the vicinity, LBM will agree the early start</p> <p>PARITY</p> <p>23 Early starts were granted to the LBM Works Promoter during this period. It is important that Early Starts granted for resurfacing works where a Section 58 restriction is intended may undermine the restriction itself.</p>
	<p>Section 74 Challenges Sent</p>
	<p>Approximately 140 Section 74 Challenges have been sent in the last year (Data supplied by Mary Ann Cuzner). This number equates to around 1% of works being challenged at present.</p> <p>Major works may not be challenged due to the process of agreeing durations prior to works being notified, however, these account for a small percentage of works notified within the Borough.</p> <p>One experienced member of staff is relied upon to check Minor and Standard Works notices. However with around 60 works being received on a daily basis, it is believed that this one staff member does not always have time to fully investigate works durations. With limited resources, efforts are directed to areas of concern i.e. Standards Works notices for the larger Utility Undertakers and EDF cable repair (Fault) works.</p> <p>PARITY</p> <p>It is not apparent from the data supplied that few challenges have been made to works notified by LBM internal works promoters. If this is the case, LBMs ability to prove that levels of parity between Utility works and Council works is being undermined.</p>

	<p>Section 74 Extensions Granted</p>
	<p>Approximately 100 Section 74 Extensions have been agreed by LBM during June, July and August 2010. This equivalent to around 8 extensions per week. Data on the spreadsheet indicates the promoter involved in each case. LBM shares this information alongside the Co-ordination meeting dashboard at the quarterly co-ordination meetings.</p> <p>It is difficult to judge is this is an acceptable number of requests to be received based on approximately 2000 Utility works taking place during this study period.</p> <p>Over 50% of these extensions were agreed with BT whereas only 10% were for works carried out by EDF. As Undertakers carrying out a similar amount of works, LBM must consider finding out why so many BT extensions are being requested – and agreed.</p> <p>Consideration should also be given to the works type being agreed. If a high percentage of extensions are being created on Minor Works. Minor works should only be extended in exceptional cases. LBM needs to ask the following questions.</p> <p>As Minor Works are planned, why should so many be extended ? Are Minor works notices being sent to reduce the amount of notice period required by the Undertaker which may then use the fairly liberal extension process to extend such works?</p> <p>LBM are currently engaged in performance management meetings with BT these and a number of other issues.</p>
	<p>Unattributable Works Notices</p>
	<p>LBM has sent very few notices to works promoters. There has been a lack of confidence that these notices can be served. 1 Utility stated that they were not receiving these notices. A test notice was sent to an external system. It can be confirmed that the notices was received by the external ETON System. It can also be confirmed that this ETON system was the same system in use by Thames Water (Symology). The system sent back an 'Unattributable Works Non Acceptance Notice). This was received and logged by the Merton Confirm system within minutes.</p> <p>Therefore, it can be deduced that the Confirm does effectively send these notices. It also does successfully receive responses if they are sent by external organisations.</p>

	<p>Section 74 Overrun Warnings Issued</p>
	<p>LBM has issued approximately 170 Section 74 Overrun Warning notices in the last year. This shows evidence of Best Practice and that Section 74 is used to:</p> <ul style="list-style-type: none"> • Remove streetworks as quickly as possible from the Highway. • Ensure undertakers are aware of, and are monitoring works in the Highway. • Offer opportunity of clearing sites quickly without full Section 74 charges. <p>It is clear from the process that Section 74 is used, not as a financial tool for the benefit of LBM, but as a method of reducing time spent on site by all undertakers.</p> <p>PARITY</p> <p>Warning levels are low for LBM. This may be due to general LBM works durations being very low and a low number overrunning with durations of more than the Section 74 Prescribed Period.</p>
	<p>Section 58 Notices</p>
	<p>Protection of resurfaced roads or parts of roads is an important duty of the Traffic Managers team at LBM. Currently proposed works are notified in two ways and are made available on the LBM website.</p> <p>LBM logs Section 58 proposed restrictions and restrictions in force onto the webpage.</p> <p>1) Submission of data on the National Street Gazetteer</p> <p>Provision to supply Section 58 data on the NSG was withdrawn in 2008. Currently LBM supplies this information but it will be the case the majority of Utilities will not use the NSG as a hub for information to locate or warn themselves about potential restriction on streets before works commence. A check of NSG data downloaded into two Utility Systems showed that none of this information had transferred across. Just because the Confirm system has fields to record this data it cannot be guaranteed that this unofficial method to record information is of use to every utility working within the borough.</p>

2) Section 58 Proposed Restriction Notices and Restriction in Force Notices

The correct ETON 5 method to record proposed and completed works is currently also being followed by LBM. The study however has located the following issues.

Not all restrictions are being received by all Utilities. The study showed TMobile (Symology) had not received the notices for 2010, whereas GTC (Symology) had received the notices. LBM do not always check that the notices have been an ETON transmission success.

Section 58 proposed Notices are sometimes sent with a works duration of just 1 day. It is essential that these works are notified with accurate start dates and durations to ensure Statutory Undertakers are aware when they can actually start their own works (customer connection works for example) after the works have been completed. Therefore, an accurate duration is critical. Furthermore, LBM may query Utility notices based on durations. It is important to ensure credibility by sending accurate and timely notices.

Evidence shows that LBM attempts to restrict streets for 60 months when only resurfacing has taken place. Example Gordondale Rd HC01-226809

LBM appears to put no contacts on the notices they send out to utilities. Whilst this data is optional, it is best practice. LBM encourages best practice from Utilities, therefore should add contacts wherever possible.

LBM sends notices with the minimum amount of grid co-ordinates (Start and End points). As LBM does have mapping facilities built into the Confirm Functionality, once again, the best data should be added to all notices sent out by the organisation. Start end points are joined under ETON 5 rules and become what is termed a 'line centre of site'. Therefore if plotted by an external organisation on a map, LBM works, unless in a straight line, will be viewed as going across footways, houses, gardens, streets and fields. Confirm mapping issues and functionality prevent the input of multiple co-ordinates for these notices.

From the information gained from external sources, LBM does not use Polygons to show exact locations of proposed and in force restrictions.

Locations sent on Proposed Restrictions are of poor quality. Most just name the street works are taking place in and do not detail exact locations. LBM would certainly send a Direction or Works Comment asking for improved data if Statutory Undertakers send Location Descriptions of this quality. It is noted, however, that this is the information being supplied by the Internal Works Promoters, not by the Co-ordination team. Promoters should in this instance be asked for better locations of works.

Section 50 Process

LBM has Section 50 working practices and forms but as with most activities has no formal business processes. Mainly managed by one individual the practices are at risk if this person can no longer carry out the activity or is on holiday, sick or moves roles within the organisation

There is no evidence that LBM notifies correctly under ETON 5 Section 50 rules. Proposed Section 50 notices (Intention to Issue a Licence Notice) should be sent for all works with full details, grid co-ordinates and contacts. This essential information allows Statutory undertakers to respond to either LBM or the Section 50 applicant to ensure the protection of underground plant.

Currently, other London Boroughs including Croydon send these notices.

Whilst the current practices bring in a significant amount of funding, it is considered by the writer that due to the high amounts of work involved for each permit, costs may not actually be covered.

Each works requires, as a minimum, the following actions for a cost of £300 to the applicant:

- Receipt of initial enquiry.
- Posting of forms.
- Receipt and investigation of works.
- A site meeting.
- Set up of invoice and receipt of payment.
- Input of details into Confirm.
- Checking of co-ordination issues.
- Receipt and processing of Actual Start/Registration notice forms onto Confirm.
- Site meeting/inspection at end of works.
- Retention of money where guarantees are required.

Even if charges in line with Category A Inspections were to be levied, costs for site meetings alone will be £120.

This working practice has no process and is generally managed by just one individual within the organisation.

	Section 81
	<p>Section 81 (Duty to Maintain Apparatus) works are Managed through the Confirm customer services module. LBM manages this process and has only 1 undertaker who may be slow to respond in some instances.</p> <p>If undertakers do not respond in good time, LBM, quite correctly ensures safety of the public by passing to their own contractor to make sate, passing on the associated costs to the undertaker accordingly.</p> <p>Currently there is no provision under ETON 5 to send electronic notification for Section 81. Therefore LBM emails a majority of Undertakers and faxes just one (Sutton and East Surry Water).</p>

Performance Monitoring

Key Performance Indicators and Dashboard

As part of the co-ordination process LBM puts great effort into sharing performance of all undertakers with the streetworks community.

Prior to co-ordination meetings, performance levels are calculated based upon the following:

- Incidents of over-run.
- FPNs issued.
- Defects issued.
- Signing, Lighting and Guarding inadequacies issued.
- Number of days occupancy.
- Early Starts and Extensions Granted.
- Response to requirement for joint defect site meetings within d+10.
- Core drill investigation results.

This is an excellent process, providing accurate and relevant information on a regular basis to all parties.

Very little can be done to improve this effective process. LBM must ensure that the information is shared with the key staff from Utilities who can actually make a difference to performance levels. Often, undertakers may send a member of staff who may not manage or control the performance of notification or reinstatement. LBM must ensure that the information is passed on to the correct staff.

If this information is also emailed to each undertaker, LBM should ensure that the dashboard information is sent directly to the following people in each organisation:

- Streetworks Notifications Manager
- Reinstatement Manager
- Senior operations Manager

Furthermore, Undertakers should be encouraged, at each meeting, to share what they have done with the previous meetings information. Who have they shared the information with? Have they re-trained staff? Has their performance improved?

LBM produces this detailed information in an attempt to improve performance of all undertakers. The process is time consuming therefore it should expect that undertakers make efforts to improve their own performance in line with information provided.

PARITY

Details of LBM Works Promoters performance are shared at these meetings to aid levels of parity in line with TMA requirements.

	<p>Co-ordination of Events & Other Activities in line with Traffic Management Act Duties.</p>
	<p>Street events are managed in an effective manner, similar to the working practices adopted for Major Works Notification.</p> <p>Crane Licences and TTROs are managed in a similar manner to Section 50 Licences attracting the same issues and risks involved in having no processes and works being carried out by just one individual.</p> <p>Highways Act 171 works are as above.</p> <p>Skips and Scaffolding Licences are issued and subsequently entered onto Confirm to ensure all co-ordination staff are aware of these instances.</p> <p>Details regarding special events affecting the Highway are received by the team and key events including filming, parades and marathons are entered onto Confirm to allow for effective co-ordination. Inputting this information and logging dates, locations etc onto the LBM streetworks register will allow the council to co-ordinate potential streetworks notices around such events.</p>
	<p>Utilising the National Street Gazetteer to enhance co-ordination</p>
	<p>LBM adds key co-ordination information to the NSG submissions on a regular basis.</p> <p>Information includes:</p> <p>Olympics ORN – Key streets which have been identified by the ORN are tagged on the NSG to ensure Utilities and internal works promoters are aware of restrictions leading up to the Olympics in 2012.</p> <p>Papal Visit – This is an example of important non streetworks related activities being entered onto the NSG to aid co-ordination and minimise congestion. This event was entered onto the key affected routes and will be removed for the next submission.</p>
	<p>Extra links out to external organisations to improve co-ordination</p>
	<p>LBM has robust working practices to ensure that Streetworks and Key Events are communicated out to important groups including community groups and business forums.</p>

	Community Forums
	<p>LBM attends community forums and supplies details of works and events that may affect traffic flow within the local area affected. Details of proposed major works are supplied to the community and where possible, the responsible Utility Promoter or contractor is asked to attend to explain why the works are happening and how they will be affecting the traffic within the neighbourhood.</p> <p>Furthermore, LBM attend subsequent meetings when the respective works are in progress to receive any feedback regarding these works from members of the forum.</p> <p>LBM ensures that information is supplied to Councillors, the local press and residents associations.</p>
	Business Forums
	<p>Streetworks can have an impact on businesses for many reasons. For example, they may block access for deliveries, or even close down the footway or parking in front of a shop. Therefore, LBM ensures that the local business forums are kept up date with the latest streetworks information within the borough.</p> <p>Through regular attendance of such forums, LBM communicates essential information regarding streetworks and wherever possible, invites the works promoter to attend, supply information and answer questions posed by the affected business owners.</p>
	AELTC – Wimbledon
	<p>LBM has an extremely important role to ensure that the Wimbledon Championship is not affected by streetworks within key streets.</p> <p>Affected streets are highlighted and the event is entered as a ‘Special Event’ on Confirm. The event is reported to the co-ordination meeting as early as February each year. London Works alerts are utilised during the period for planned and unplanned works affecting the highlighted streets.</p>

	Webpage
	<p>LBM puts great efforts into using technology to ensure that all streetworks are effectively communicated to individuals and organisations.</p> <p>Works Promoters can find important information regarding activities that may affect future works. For example, proposed Section 58 restrictions and restrictions in force can be located on the transport-streets. roadworks webpages. Whilst web pages like this have lower volumes of visits, these figures can be misleading as only a small number of companies need to find this essential information.</p> <p>Members of public will generally search on the web pages to find information about proposed or ongoing works within their own street or streets close to their homes. Volumes are significantly higher than the specialised pages viewed by utilities.</p> <p>Other information supplied for various interested parties includes Temporary Traffic Orders, Crane Licences and Traffic Signals applications.</p> <p>This is an excellent method of communication and ensures that LBM is utilising modern methods of sharing such information with all affected parties.</p>
	Attendance of other co-ordination meetings
	<p>LBM, on a regular basis, attends co-ordination meetings held by councils which border on the boundaries of its own borough. This is an excellent method to ensure works taking place in other councils are known about well before notices are sent and works displayed on the London works website.</p>



Business Case for Permit Scheme

London Borough of Merton

27/7/2011



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1. Introduction to Permit Schemes

Part 3 of the Traffic Management Act 2004 introduced permit schemes as a new way in which activities in the public highway could be managed and to provide Highway Authorities with an alternative method to minimise disruption from street and road works.

Permit schemes provide an alternative method of EToN notice transmission from the existing NRSWA systems. Currently in non-permit areas Statutory Undertakers are obliged to notify of intended works and works in progress whereas in a permit scheme an undertaker books road space by applying for a permit. The Permit Authority can impose standard and job specific conditions to works prior to approval.

Whilst current TMA and NRSWA facilities allow the direction of works by the street authority, Permits schemes enable more control of timing, works methods and road space taken by the works, therefore in theory aid in securing the expeditious movement of traffic through the road network under control of the councils Traffic Manager. This however, can only work if every permit application is scrutinised by the Highway Authority. This extra work, whilst some of it being funded by utilities, puts extra operational and administrative burdens onto councils wishing to run a scheme. Furthermore, throughout the application and implementation stage of the project efforts must be made to change the culture and attitudes of Internal Works Promoters and Contractors.

There are various types of Permit Schemes which can be operated in different manners however, London currently has its own scheme which went live in January 2010. 19 London councils (Including Transport for London) initially went adopted the scheme and went live between January and April 2010. 6 Further London councils are going live in September 2011.

Applying for, and rolling out a permit scheme is not a simple and speedy process. Firstly, the council must decide that it will benefit from adopting a Permit Scheme. Secondly, it must go through an application process to the DfT and Secretary of State justifying the proposed scheme in terms of benefits to all road users. Thirdly, it must thoroughly prepare for the introduction of the scheme, ensuring current processes are amended, co-ordination systems and peripheral systems are fit for purpose, staff levels are adequate and staff are fully trained and motivated.

Currently, all councils in London have either decided to delay running a Permit Scheme or have joined LoPS (the London Permit Scheme). Joining LoPS is not the only option open to LBM. There is the opportunity to create a bespoke scheme for Merton, however, there will be very few benefits in doing this.

If joining a permit scheme it is recommended that LBM joins the LoPS scheme for the following reasons:

- The LoPS (London) scheme has been running successfully since January 2010
- A mirrored process will be much easier as the current LoPS mechanism and Codes of Practice almost matches the existing EToN (Electronic Transfer of Notices) Technical Specification.
- More London councils (Newham, Lambeth, Waltham Forest, Southwark, Greenwich, Harrow & Richmond) are set to join LoPS in September 2011.
- A majority of neighbouring authorities have adopted the scheme.
- A bespoke Permit Scheme will involve writing a whole new set of legal rules without the confidence that they will ultimately be signed off by the Secretary of State

By adopting a scheme, a Highway Authority can gain a level of financial income from granting permit applications made by Statutory Undertakers. Permits can be charged at rates of between £45 and £240 dependant on the works type as laid down by the regulations. Works carried out in the highway by council related works such as road resurfacing, pot holes and traffic calming measures do not attract a charge but must be treated in the same manner as permit requests from Statutory Undertakers.

If a scheme is introduced, the new Permit Authority must display a degree of parity in the way it deals with all works promoters. Council works must not be given priority. Key Performance Indicators have to be produced on a regular basis, shared with other LoPS members and all Statutory Undertakers.

Permit schemes have a massive administrative impact on the council. These, in theory, are fully funded by Permit income where permits are administered for public utility work but not for the permitting burden that is required for council works promoters activities. The extra financial burden is expected to be met from within existing council resources.

Councils must carefully calculate exact charges to ensure that costs are covered and that profits are not made. Profits may have to be repaid by way of rebates and/or discounted permits in future years. The money is effectively ring fenced and should be used only for activities identified by the Permit Scheme.

NB - By choosing to join a Permit Scheme, LBM should be aware that either indirectly or directly, members of public within the Borough may be paying for the permit scheme through direct charges from Statutory Undertakers for works they have requested or through increased energy or telecommunication bills. These charges will be seen by Industry Regulators as unavoidable costs imposed upon Undertakers and therefore allow the passing of charges to customers. However, the potential benefits to members of public are significant due to the increased powers and resource made available to Councils that choose to run a Permit Scheme.

2. London Borough of Merton Scope of Study

Following the production of the document '**Review of Streetworks & Networks Management Performance and Feasibility of Introducing a Permit Scheme**' in November 2010, Streetworks Solutions Ltd has been employed to prepare a business case for the introduction of a permit scheme. This document is to include the following:

- Potential set-up costs
- Additional staffing levels and costs
- Proposed organisational chart
- Likely Income from permits and existing streetworks related activities
- Risks and advantages associated with a permit scheme and potential costs to mitigate against such risks
- Lessons learnt by councils already running permit schemes
- Recommendations

3. Pre-permitting costs – getting ready for an application

LBM must consider all set-up costs associated with the introduction of a permit scheme. Report Stage 1 (November 2010) identified issues in relation to current TMA requirements. It recommended that LBM would put its Network Management Duty at risk if it was to introduce a permit scheme without making significant enhancements to the following prior to any application to the Secretary of State. These changes included:

- Upgrade of existing IT provisions including the possibility of changing system providers where possible
- Increased staffing levels (up to three new staff) and improved organisational structure
- Development of business processes and procedures
- Increased levels of system and process related training

Each of these changes would attract significant cost to LBM. Whilst this document does not detail full costs involved in these improvements, estimates can be made to ensure LBM is aware of potential costs, which cannot all be recouped through permit related fees and charges. Based upon these changes being by the end of 2011, estimated costs are displayed in the table below.

Activity	Potential costs in year 1	Potential costs in year 2	Potential costs in year 3
Upgrade Servers and update Confirm system versions plus bolt on enhancements including Internal IT management and external consultants	£50,000-£75,000	£10,000-£15,000	£5,000
Purchase, testing and installation of 4 hand held devices	£10,000	£2000	£0
3 new staff recruitment costs	£15000	£0	£0
3 staff wages for 12 months	£75,000-£90,000	£80,000-£95,000	£85,000-£100,000
Reasonable overheads including NI,Pensions,Accommodation,IT equipment ,vehicles (70%)	£52,000-£63,000	£56,000-£66,000	£60,000-£70,000
Development of business processes and procedures	£5,000	£0	£0
Training for new and existing staff	£10,000	£5,000	£5,000
LBM RASWA Manager resource to manage changes (25% Full Time Equivalent) including overheads	£20,000	£0	£0
TOTAL ESTIMATED COSTS	£237,000 to £288,000	£153,000 to £183,000	£155,000 to £185,000

4. Alternative Co-ordination Systems

Alternatively, LBM must consider the possibility of procuring a new streetworks system from an alternative supplier.

Initial costs of purchasing a new system may be balanced by reduced running costs due to the following efficiencies.

- Managed service requiring no IT servers and platforms to upgrade, maintain and zero depreciation in value
- Improved mapping facilities to aid accurate co-ordination of incoming notices
- Reduced system response times leading to reduced waiting time for users
- Accurate management information facilities and ability to develop LBM bespoke task management reports and KPI/management information data
- Improved financial data and ability to calculate and produce permit related charges from a streetworks system rather than from manually updated spreadsheets
- Bespoke training on offer from the relevant system providers

5. Application and running costs

Once the recommendations from the Stage 1 report to improve IT, staffing levels, business processes and training have been completed LBM must consider all costs involved with the introduction of a permit scheme, which costs can be recouped from the scheme and which ones must be absorbed by the council. Appendix 1, the LopS Start Up Costs guidance document developed during the initial stages of the LoPS application process shows allowable costs through the application process.

Appendix 2 details the process required for an application. Potential timescales have been added to the diagram to provide the reader a realistic appreciation of the overall programme timescales.

Organisation changes and costs versus potential income

Recruitment of new staff for both proposed structures will place a financial burden upon LBM. However, this may be offset in a permit scheme by the income gained from granting permit requests made by Statutory Undertakers.

The organisational structure diagram contained within this section illustrates three structures including the following:

- 1) **Current LBM set-up and staff numbers**
- 2) **Proposed set-up to ensure LBM is working fully in line with its Traffic Management Act related duties (as recommended in SWS report November 2010).**
- 3) **Required structure in place 3 months before the introduction of permit scheme. This structure would be the enduring one.**

Furthermore the diagram shows potential costs to manage each stage and income from streetworks related activities.

Overheads

Overheads are based upon the DfT Lops overheads which had originally been agreed to formulate other streetworks charges including Inspection charges in line with the New Roads and Streetworks Act.

These overheads have been approved by the DfT for the calculation of costs when previously successful LoPs applications were made.

Whilst these overheads may seem generous they have been fully vetted by the DfT and include many of the unseen costs not normally included when calculating overheads. The overheads do not just include the accommodation/pension element, also included are IT upgrades (Software and Hardware) Invoicing/finance related costs, and Management Information production.

NB - It is essential that councils do not treat these overheads as a potential surplus that can be used on any other activity apart from the management of a Permit Scheme within the borough. By signing up to the LoPs scheme and using the TfL matrix, LBM would be confirming that these charges are reasonable and that any surplus would be repaid to Undertakers by the way of discounted permit costs in future years.

Furthermore, if audited by the DfT LBM must be able to account for all income from the Permit scheme and that it has not been used for anything apart from the direct running costs of the permit scheme. LBM must show where every penny gained from the Permit Scheme has been spent. Failure to do so may put the LBM Traffic Management Team at risk of intervention by the Secretary of State including possible imprisonment of the Traffic Manager.

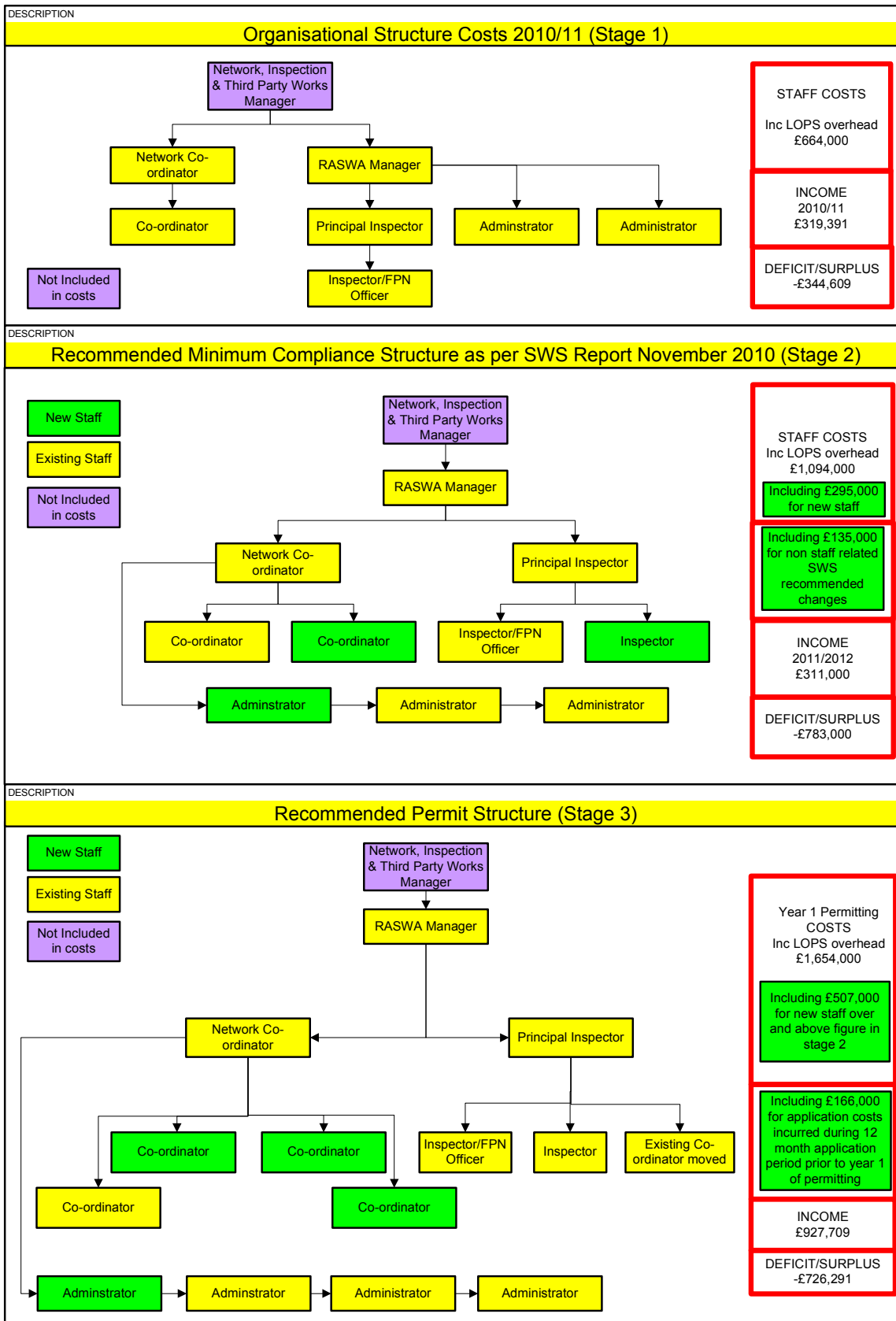
Alongside the organisation structures and costs, potential income has been included to show the impact of extra resources and the extra income generated through permit schemes.

Appendix 3 discusses the current income streams and whether they will vary due to the introduction of a permit scheme. It is estimated that non permit related income will vary little in future years unless there are significant changes made to current streetworks related legislation.

Whilst all three structures show a deficit, this is not unusual. In fact, all London Councils applying to join the LoPs scheme published that a permit scheme would be run as a loss making exercise (based upon the agreed DfT overheads being used as real costs). Use of existing staff to manage works taking place on behalf of the borough accounts for much of this deficit. To ensure that all works are managed and monitored correctly and in line with TMA parity rules, LBM, if running a permit scheme must apportion resource to manage Permit applications for LBM works affecting the public highway works including:

- Gully Works
- Lights and Signs
- Signposts
- Patches – repairs
- Pedestrian Crossings
- Bridge Inspections
- Pavement Building
- Resurfacing of footways and carrying
- Street Lighting Installation
- Vehicle crossings
- Drainage repairs
- Bus shelter
- Ditches
- Hatching/road markings
- Cats eyes
- Bus stops

Organisation Structure Diagram



NB. The above table therefore demonstrates that moving to a Permit Scheme instead of following Stage 2 (Non Permits but increased compliance) will lead to a lower level of deficit but also allow even greater levels of compliance offered by the Permit rules and higher levels of staffing

Application and implementation costs

Following the implementation of essential recommended changes detailed earlier in this document, if an application is made LBM must consider the potential costs to progress the application and ensure readiness on day 1 of the introduction of a new scheme.

Issues with recruitment of staff are detailed in Appendix 4.

The importance of joint system testing is explained in Appendix 5.

Costs Template

Permit Scheme Application Activity Prior to go live	Potential Costs
Procurement of 3 staff via agency (15% annual wage of £96000)	£14000
Minimum 3-6 Months wages for 3 new staff prior to go live not including overheads	£24000 to £48000
Reasonable overheads (70%) for above to include the following: Accommodation (Minimal due to excess office space available) Pensions PC hardware including handhelds IT licences Vehicles	£17000 to £34000
Senior member of staff as Business Project sign off 25-50% full time equivalent for 6 months. Including reasonable overheads	£22000 to £44000
Permit Application Process. Consultants fees	£15000 to £30000
Transition Process. Consultants fees including joint system testing	£24000 to £40000
TOTALS	£166,000 to £210,000

These costs must be deducted from and permit income in year 1. From the above figures an average has been taken. Therefore for future calculations within this document it is estimated that application and implementation costs will be **£188,000**.

6. Risks at 'Go Live' and enduring risks

If LBM is not ready for the introduction of a permit scheme, the following risks may occur:

- Reputation within the streetworks industry damaged
- Financial risk. Income may be lost due to processes not being followed
- Council Works Promoter and Contractors not ready – Parity issues in line the Traffic Management Duties
- Late invoices would mean a delayed income into the Highway Authority
- DfT intervention and possible removal from the Permit Scheme

As report 1 made clear, if significant changes are not made to current processes, systems, system platforms and staff levels, LBM will at higher risk of failing in its traffic management duties risking intervention levels by the DfT . Therefore, prior to the introduction of such a scheme, action must be taken to secure and improve performance levels in line with current notification requirements.

Failure on day 1

To protect the reputation of LBM, it is essential that processes, systems and staff are in place on day 1 to ensure the smooth transition between noticing and permitting.

Day 1 of go live will initially test the effectiveness of systems and processes. Higher volumes of data and system use by larger numbers of users may for example, may cause EToN system failure.

Business Continuity Management processes should be developed and available in case such an event occurs, not just on Day 1, but at any time in the future.

Experience of other parties

All Statutory Undertakers working in London have been working in line with LoPS requirements for a year. Therefore, they understand how to correctly follow the processes required to ensure high level of performance from both back office and field force perspectives. They have a head start over LBM and will understand the KPIs and Operational Measures and how to perform in a manner which may be better than that of the LBM contractors and internal works promoters.

Bordering councils within London are already functioning members of the LoPS scheme. LBM, therefore, may be judged initially against the performance of neighbouring authorities or authorities in close proximity.

Deeming of Permits

Every permit application must be either granted or refused within prescribed timescales.

It is essential that LBM does not allow permits to deem and reviews every Permit Application to grant or refuse as is necessary. Deeming of a permit occurs when the required deadline for a response (either granting the permit or refusal of it) has not been met. Timescales are:

- 1 Month for a Major Works Provisional application
- 5 working days for the follow up Major Works application
- 2 working days for a Minor Works application
- 5 working days for a Standard Works application
- 2 working days for an Immediate/Emergency Works application
- 2 working days for a Variation (Change to existing permit) application

If a permit is allowed to deem the following may occur:

- **LBM will not be able to charge for the permit**
- LBM will not be able to impose Permit related conditions on the works
- Works will commence without any direction from LBM and may conflict with other activities on street
- LBM will have to report the incidents as part of the LoPS reporting measures
- The reputation of LBM will be at risk

Finance related issues

EToN systems and finance systems must be able to automatically calculate permit related changes. Inaccurate data will lead to permit invoices or Fixed Penalty Notices being issued incorrectly. Statutory Undertakers will always query inaccurate/late invoices. This will ultimately mean that invoices may have to be withdrawn, amended and reissued leading to financial anomalies and delayed payments.

EToN Gazetteer and Organisational Districts.

LBM must update its National Street Gazetteer and Organisation district files to reflect that it will be a Permit Authority. These files must be sent electronically to all interested parties and should be posted on the NSG hub with strict instructions that the files should not be downloaded until the night before the intended no live date. Failure to update these files and submit in line with the TMA requirements may lead to LBM receiving no Permit Applications and potentially large scale losses of Permit related income.

TfL streets may also cause technical issues when submitting new gazetteer updates to Intelligent addressing (the NSG hub used by all parties to download essential EToN related information). To pass validation and for the scheme to be successfully introduced, strategic routes bordering upon LBM streets may require an extra gazetteer entry. Failure to do this may mean a reduction in the amount of permits received and therefore income may be reduced.

DfT Intervention

Upon running a scheme, and charging undertakers to carry out works the LBM co-ordination function must be working perfectly. It cannot allow clashes of works and make sure that systems and processes ensure the scheme improves the movement of traffic throughout the borough network. If a Statutory Undertaker attends a site it has 'booked' and other undertakers (including council works) are present, it may report the incident to the DfT.

Furthermore, the London Scheme criminalises certain inadequacies with fines of up to £5000. LBM must ensure through training and if possible through future contracts that its own works promoters and contractors are adhering to the same rules. For example, it will be a criminal offence for a Statutory Undertaker or someone working on its behalf to start works without previously installing an information board clearly displaying the permit number. This is not a criminal offence for Council works however, by signing up to a permit scheme LBM must have these signs for all their works to show a level of parity. If council works are seen without such a sign installed, they will be photographed and reported to the DfT.

Proof of success

At the end of the first full year of running a scheme LBM will be asked by the DfT and/or the LoPS group to prove that the scheme is benefitting people and businesses who use the public highway. Therefore, it must consider measures to prove the above. This could mean the measurement of traffic flow or proof that the scheme has significantly reduced the duration of works within the borough.

This process has already been carried out after the first year of LoPS and required a full time resource from each council to provide the required information to central hub (TfL). This support may not be available to subsequent tranches of LoPS. LBM must be prepared, if a scheme is introduced, to provide adequate skilled resources to produce this information. This may be carried out directly by LBM but will have credibility if carried out by an independent consultant or by another body (Such as another council).

Early Findings of Councils who have already implemented a Permit Scheme

A meeting took place between the City of London and SWS in December 2010. Mr Steve Bender (Permit Manager) explained the issues arising since the introduction of LoPS within the City of London authority in January 2010.



Extra Training

Whilst contractors and internal works promoters had training prior to the original Permit go live date, further training is still required to ensure higher level of performance. Furthermore, it is believed that the business processes of contractors sending Permit related notices have to be checked to gain assurance of fitness for purpose.

Joint testing

It is recommended that external systems used to transmit Permit notices are fully vetted prior to go live to ensure that they allow for the full permit process to happen and that the relevant applications are always made for the corresponding work category. For example, it is essential that planned minor works are to be submitted using a 3 day notice (Permit Application). Some contractor systems may attempt to send a 'two

hour' notice which will be the incorrect works category and may adversely affect the parity levels that LBM must report on after the introduction of any permit scheme.

Extra Resource Requirements

LoPS Working Groups and Task Force – Membership of the LoPS scheme will put a resource burden on the management team of LBM. It is assumed that LBM would want to be present at all these meetings, not just because it is a new member, but because it wishes to play a part in the long term development of the scheme and keep abreast of any operational issues that may affect how all councils run LoPS within their boroughs.

Operational Committee – Normally once a month these meetings which only involve the Council Officers of LoPS may take the majority of a day to travel to and attend. Furthermore, LBM may be assigned adhoc tasks (such as data retrieval and analysis and to report back to the committee). Added to this, there may be an element of preparation work before each meeting. Therefore, it is estimated that this committee will require a resource of around 18 days per annum (almost 1 working month).

Works Task Force – 6 per annum, this meeting involves all LoPS councils and Statutory Undertakers. Including preparation and travel it is estimated that these meeting will require a resource of around 8 days per annum.

LoPS Reporting and Parity Measures

Whilst LBM currently creates excellent data on a monthly basis to ensure parity levels are published in an appropriate manner, a consistent manner of reporting performance data will be required on joining the LoPS scheme. Key Performance indicators including the following will be required on a monthly basis:

- Number and percentage of deemed permits
- Overall numbers of permit applications
- Early starts allowed
- Number of Section 74 over-runs
- Category A Inspection failure rates (Permit signs on site etc)
- FPN Sanctions and numbers and types of valid permit breaches

7. Findings of Councils joining phase 2 of the LoPS Permit Scheme

One council joining LoPS as part of phase 2 advised of the following:

LBM LoPS representatives will do a lot to help the process and collate the data collected by LBM before submission to the DfT

LBM may need to run 2010 data and input latest volumetrics data into the TfL spreadsheet. This may be an onerous exercise

Extra data will be required such as number of Temporary Traffic Orders and Diversion route data including lengths of routes.

The following extract details information required. The dates below relate to a 2010 application, therefore DfT may require more up to date information (2010 data)

8. Recommendations

It is recommended that LBM implements a Permit Scheme to control and manage all streetworks related activities within the Borough and improve compliance in line with the Traffic Management Act.

Streetwork Solutions Ltd believes that LBM is currently barely complying with its Network Management Duties as defined by The Traffic Management Act 2004. Furthermore, reductions in resource have been made to the Streetworks Team since our original report in 2010, therefore increasing risk of intervention significantly.

The implementation of a Permit Scheme will bring the following benefits to LBM:

- The resources and ability to study and manage all works within the Network
- Greater control of all streetworks affecting the Highway through increased powers offered by LoPS
- Improved monitoring of on site compliance through increased inspection levels based upon the proposed structure
- A consistent, long term financial income to offset against additional costs
- Extensive overhead rates afforded to all staffing levels by the LoPS scheme
- An opportunity to bring LBM in line with the majority of other London Councils in LoPs
- Enhancement of the reputation of LBM with external bodies and members of the public
- A reduction in abandoned works and associated wasted resource used to manage this issue
- Frequent and detailed Management Information to assess the performance of Utility and Council works

Risks associated with implementing a Permit Scheme

This report details the project risks involved, however it is essential to ensure that the benefits above are maintained LBM must implement the proposed structures in advance of going live with any permit Scheme.

Resource levels and costs have been dictated by the LoPS matrix and therefore by joining LoPS, LBM will be confirming that such costs are real and that the resources utilised to calculate these costs are utilised in a responsible manner.

No reductions can be made to the resource levels without a reduction in permits charges made to Utility Companies.

APPENCIES

Appendix 1

LOPS ALLOWABLE START-UP COSTS

1. **Completed permit fees matrix based on the year 2009.**
2. **Total number of works for each category of street (in the permit fees matrix):**
 - Major
 - Standard
 - Minor
 - Immediate/Emergency

For Category 0-2 and Traffic Sensitive Streets and Category 3-4 Non-Traffic Sensitive Streets

3. **Between the Dates of 1st March 2009 and 31st March 2009 the Number of Temporary Traffic Orders, divided into the following categories:**
 - Road closure
 - Lane closure
 - Traffic control or contra-flow
 - None/signing only

including for each example of type 1 above the length of diversion route in each case.

4. **Start up costs**
5. **Details of works where a traffic management plan is available in order to be able to assess the costs of disruption of those works**

Information in respect of complaints about utility street-works by members of the public

Annex A

LOPS allowable Start Up Costs

Intro & Scope

Developing and implementing the London Permit Scheme incurs cost for all those involved. These costs need to be quantified for each applicant authority and included within any analysis of costs versus benefit. In order to be fair, the Department for Transport have confirmed that these costs can be amortised over the first 25 years of LoPS operation.

As there are 19 Highway Authorities applying to implement the LoPS, it is important that we each approach this task in a consistent manner. This document has been developed to serve as a template for each applicant to complete, according to their own costs within their own organisation.

The costs to operate the LoPS have largely been included within the matrix of Permit related activities, used to calculate Permit fees. This work is concerned only with those costs associated with the development and delivery of the LoPS that sit outside of the Permit fee matrix.

The areas of costs in question are:

- Recruitment
- Training
- IT
- Process

Recruitment

This should include any costs recharged from your internal Human Resources team, any costs to advertise Permits related vacancies, and any costs arising from the use of recruitment agencies to fill those posts.

This should not include any regular and standard HR recharges, and any agency costs that are in relation to recruitment that is not solely required to support LoPS. Also, consider that advertising to fill 5 roles costs the same as advertising to fill 1 role.

Training

This should include any costs for training consultants (eg. from the supplier of your streetworks system), and any other costs internally recharged as a result of using internal trainers.

This should not include any regular scheduled training costs, or any consultancy fees in relation to development that is not solely required to support LoPS. Also, consider that training 5 people may not cost any more than training 1 person.

IT

This should include any additional computer hardware that needs to be purchased in order to support your LoPS operation, any costs directly incurred in the development and delivery of your technical Permits solutions (eg. Streetworks system), and any costs incurred in developing additional invoicing functionality to support LoPS.

This should not include any ongoing support costs for IT, any existing invoicing costs, any lease costs for hardware, and any costs for development that is not solely required to support LoPS.

Process & Testing

This should include any costs additional costs incurred as a direct result of developing new process, configuring systems to support LoPS, and testing new processes/configuration.

This should not include any costs for changes that are not solely required to support LoPS.

Costs Template

The following table should be completed by each LoPS applicant based upon their own

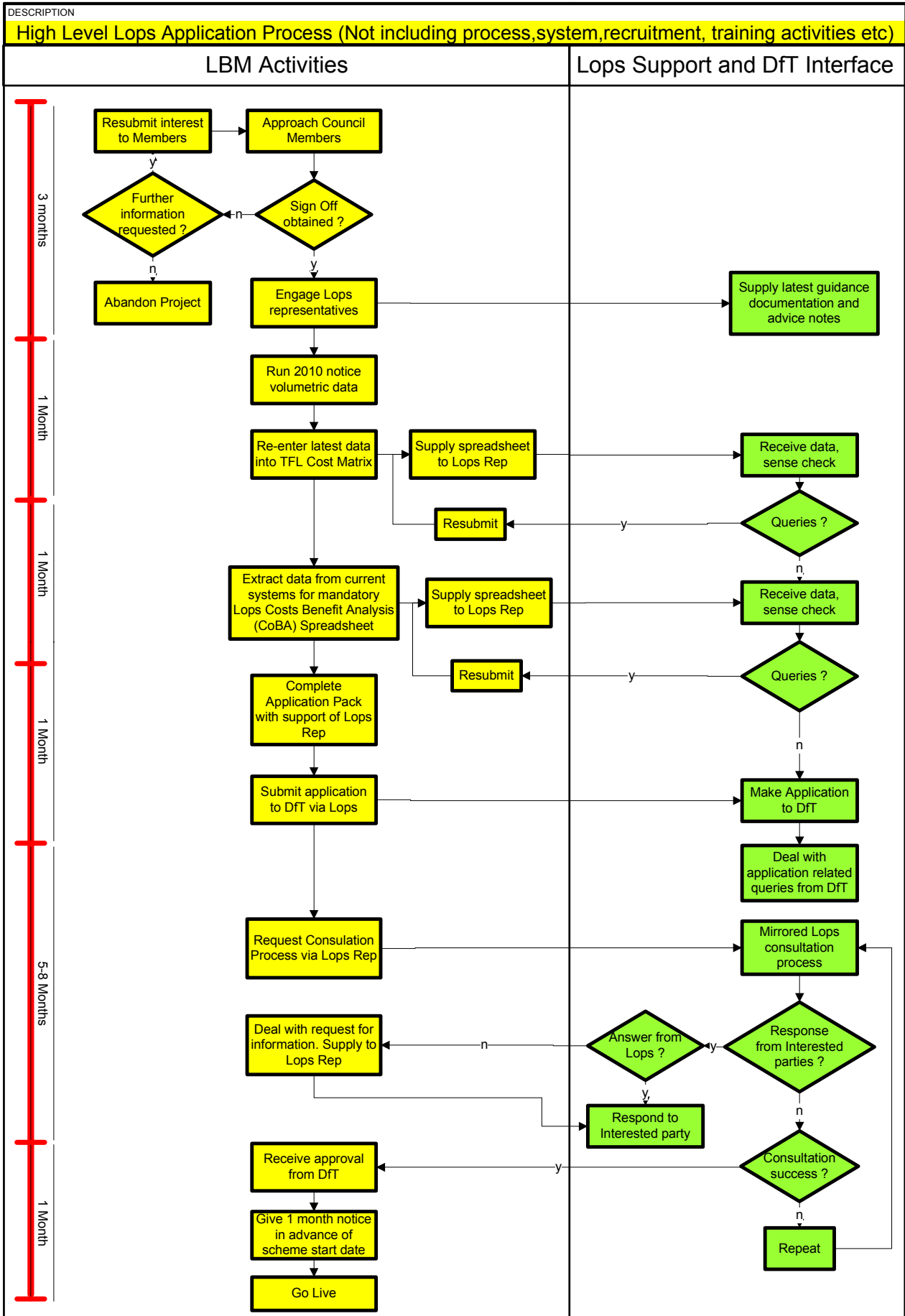
Highway Authority:

Cost Area	Cost Type	Cost £	Comments
Recruitment	Human Resources		
	Advertising		
	Recruitment Agencies		
	Other		
Training	Technical Consultants		
	Internal Training Team		
	Other		
IT	Hardware		
	Permit Solution		
	Invoicing Solution		
	Other		
Process	Process development		
	Systems testing		
	Configuration		
	Other		
	TOTAL £		

Other considerations:

- Do not double count costs that have been considered within the Permit fee matrix.
- Do not include any street and road works aspects that are not included within the scheme, particularly inspection activities and equipment to support those activities.

Appendix 2 High Level LoPS Application Process



Appendix 3

Long term income from streetworks related activities including potential future Permit Fees

Financial income from streetworks related activities are unlikely to dramatically alter as a result of the introduction of any permit scheme.

NRSWA Section 74 Overstay charges

Overstay charges may be affected by proposed durations on new Permit Applications. As LBM will be assessing 100% of permit applications, durations may be challenged prior to the permit being granted. This may initially push down average durations and force Works Promoters to work within the permit timescales. Furthermore, agreement may be made (at minimal cost) to extend the duration of the permit. It is unlikely, therefore that Overstay charges will either increase or decrease in a dramatic fashion.

Potential changes to legislation may be introduced to increase charges to a maximum of £25000 per day of overrun in certain circumstances.

Overstay charges may fluctuate as new contracts are given to subcontractors for major utilities. There new players sometimes take several months to become efficient which often leads to overstay charges.

NRSWA Inspections and Defect Inspections

The introduction of a Permit Scheme will not increase the amount of Statutory Inspections that have to be undertaken by LBM. Therefore, Category A,B and C Inspection will not generate more income unless a change in legislation allows for charges to be increased.

The proposed new Codes of Practice for Inspections may allow more Inspection types meaning that Authorities may be able to carry out more on site or completed site inspections. Therefore, there is a possibility of an increase in Defect Inspections if more sites are visited.

Fixed Penalty Notices (Enabled by the Traffic Management Act)

Fixed Penalty Notices may increase due to increased site activity carried out by Council Inspectors. For example, Statutory Undertakers will be forced to work in line with standard and job specific conditions imposed prior to the granting of a permit. It will be a criminal offence for and Statutory Undertaker to breach any one of these Conditions. LBM, therefore, may decide to issue Fixed Penalty Notices rather than prosecute these offences.

Furthermore, FPN charge levels can increase in certain circumstances. Working without a Permit attracts an FPN charge of £500 (£300 if paid early). A similar offence in a non permit area such a working without a valid notice, or starting before the original proposed start date may only attract an FPN of £120.

Higher charges however may be counter balanced by improvements in the performance of Statutory Undertakers. Therefore, overall, income from FPNs is unlikely to increase in the longer term unless LBM changes its current pragmatic approach of using the FPN system to improve performance rather than generate income.

The following table has been supplied by LBM and indicates the estimated income from streetworks charges. Wherever possible these figures have been used within this document.

	2011/12	2012/13	2013/14
Permit Income	0	£321,392.00	£645,784.00
Sample Inspection Income	£95,925.00	£95,925.00	£95,925.00
Defect Income	£30,476.00	£30,476.00	£30,476.00
Section 74 Income	£104,070.00	£83,256.00	£66,604.00
FPN income	£88,920.00	£88,920.00	£88,920.00
Total Income	£319,391.00	£619,969.00	£927,709.00
Total Expenditure	£664,000.00	£1,325,000.00	£1,654,000.00
	£344,609.00	£705,031.00	£726,291.00

Appendix 4

Recruitment of new staff and new structure of the organisation

Initial calculations within the TFL LoPS spreadsheet have indicated that more staff will be required to successfully implement a scheme and to ensure its long term success. Various options are available to procure staff however each option varies in terms of short term and long term cost.

i) Procurement of Skilled staff.

Recruitment of staff who already have a skills and knowledge and experience in the streetworks sector may be an option. These staff who may be recruited from other councils may have knowledge of legislation but may not have used LBM systems (Confirm) and therefore may require similar amounts of training as brand new, unskilled staff. It is likely that these staff will cost more to employ as they will expect remuneration levels at least in line with what they have been getting paid at current/previous employers. Furthermore, these potential targets in the current economic environment may be cautious of moving from stable employment and would expect to be paid a premium to do so.

ii) Unskilled Staff

Unskilled staff are a realistic option only if they are employed at least 3 months in advance to any Permit Scheme go live date. Therefore, from the start, they are an expensive option due to wages being paid in advance of any Permit related income.

Training would initially teach new staff how the current systems and processes work around NRSWA and the TMA. This would involve on the job training. Following this 'on the job' training which may last at least 8 weeks, Permit training, identical to the level given to existing staff would be required prior to go live.

iii) Redeployed staff/secondments

Recruitment costs would be low, however staff, whilst potentially unskilled, would already be paid relative to the grade in the old role within the council. Therefore wage costs would be initially high whilst streetworks related skill levels may be low.

iv) Contracted out staff

A decision may be taken to procure all new resources through a managed service rather than to employ new individuals into the organisation. Current financial constraints placed upon councils due to reduced government grants may make it difficult to justify taking on new employees whilst redundancies are being made in other parts of the council.

Contract staff would be required to be ready skilled and costs involved in recruitment would be absorbed as part of the contracts costs.

Recruitment/Procurement Costs

The recruitment process will attract significant costs. Vacancies may be advertised in the local press or be filled through recruitment agencies. LBM must expect costs of up to £5000 (approximately 20% of annual wage cost per recruit) per candidate if agencies are to be used. LBM can decide not to utilise recruitment agencies and can decide to carry out the full process fully utilising the Human Resources facilities within the council. It is estimated that this process will still cost up to £3000 per delegate to cover advertisement, vetting of candidates, initial interviews, second interviews, obtaining references.

Staff Turnover

Whichever method is used to procure staff, it is essential that LBM does whatever it can to ensure low levels of staff turnover. Job enrichment can be offered through a mixture of competitive wages, quality training, an organisational plan and processes that allow empowerment of staff and overall job enrichment.

Appendix 5

Joint System Testing

System testing scripts and processes must be designed to ensure the following high level aims:

- The latest Eton version works within test and live environments
- Permit Applications can be received from internal and external sources
- The EToN system allows all necessary responses to be made such as Permit Granting/Refuse Notices
- The full process for permit co-ordination can take place via the EToN system
- Management Information can be run to allow for full financial and performance reporting in line with the Permit Scheme
- Correct and accurate invoicing of Permit fees can take place