

Benchmarking Review Highway Service Fees and Charges

Traffic Management Services- Place

19

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Benchmarking Review of Service Fees and Charges - October 2019

Introduction

In October 2009 a full benchmarking review of fees and charges for the provision of Highway and Development services, documents and publications was undertaken. The decision to hold such a review followed advice issued by the Audit Commission in a 2008 report about the ways in which Councils can maximise their potential income given the challenging economic climate. Those challenges still remain.

Using data produced from the report entitled "Positively Charged" comparisons were made against 16 other Local Authorities as to which fees and charges could be compared. That review concluded that Lincolnshire County Council was not maximising the potential of its service charges, and that across the majority of its provisions there exists at least some scope to rectify this with the revision upwards of the fees for provision over the next few years. It is evident that many of the fees and charges outlined in the review were not reconsidered.

As the original exercise was carried out over ten years ago it was decided that a further updated study be undertaken using more up to date information. Using the template from the 2015-2016 MSIG Highway Licence Fee Review, 19 Local Authorities were contacted during 2019 to provide comparative information. Despite reminders being sent only 6 returned their data, a response rate of 31.6%. Further information was gleaned from Local Authority websites, although not all costs were provided (either due to the fact the costs were not broken down in the same way as the LCC pricing structure or price is 'provided on application'). Additionally in an effort to increase data capture key MSIG contacts were emailed a template and asked to complete the information where possible.

Using the data we were able to obtain some comparisons between key services such as Section 50 licences and temporary road closures could be made. The comparisons were collated and are detailed in this document.

Summary of findings- Graphs and Comparison Tables

Below are a number of comparison tables and graphs which represent the findings from the 2019 review, which were also analysed in the 2010 study, and make some reference to recommendations for the future pricing of these services, documents and publications.

Current Documents & Publications produced which are currently not chargeable:

| Publications | Current 'Fee' | Minimum Charged Elsewhere | Maximum Charged Elsewhere | Average Charged Elsewhere |
|---------------------------|--|--|---------------------------|---------------------------|
| Lincolnshire on Horseback | Lincolnshire Wolds Riding Trials PDF- Free | This item was not comparable to documents produced elsewhere yet there is no obvious requirement to reduce the cost at this time | | |
| Viking Way Guide | PDF- Free | This item was not comparable to documents produced elsewhere yet there is no obvious requirement to reduce the cost at this time | | |
| Residential Design Guide | Replaced by LCC Design Approach PDF- Free | Councils providing this document did so as a free downloadable PDF | | |
| Waste Local Plan | Minerals and Waste PDF- Free | Councils providing this document did so as a free downloadable PDF | | |
| Minerals Local Plan | Minerals and Waste Policies PDF- Free | Councils providing this document did so as a free downloadable PDF | | |
| Estates Road Design Guide | Superseded by Manual for Streets PDF- Free | Councils providing this document did so as a free downloadable PDF | | |

Temporary Road Closure Services

Temporary Traffic Regulation Orders

A Temporary Traffic Regulation Order (TTRO) is a legal instrument that enables the Highway Authority to limit or prohibit the movement of traffic on the highway. They apply to the regulation of speed, weight, movement and parking of vehicles as well as regulating pedestrian movement. These are used to cover temporary events such as road works or to avoid danger to the public. They can last up to 18 months and there is no right of objection. Emergency TROs can be brought into force immediately if the Council considers there to be a potential danger to road users and the public.

Current data reveals the following charges:

| Services | Current Fee | Minimum Charged Elsewhere | Maximum Charged Elsewhere | Average Fee Calculated from this Review |
|--|-------------|---------------------------|---------------------------|---|
| Temporary Road Closure (Up to 5 Days) | £675 | £175 | £1,250 | £867 |
| Temporary Road Closure (Up to 18 Months) | £1000 | £760 | £2,350 | £1,460 |
| Emergency Road Closure | £300 | £200 | £1,250 | £598 |
| Extension to a Road Closure | £330 | £250 | £750 | £452 |

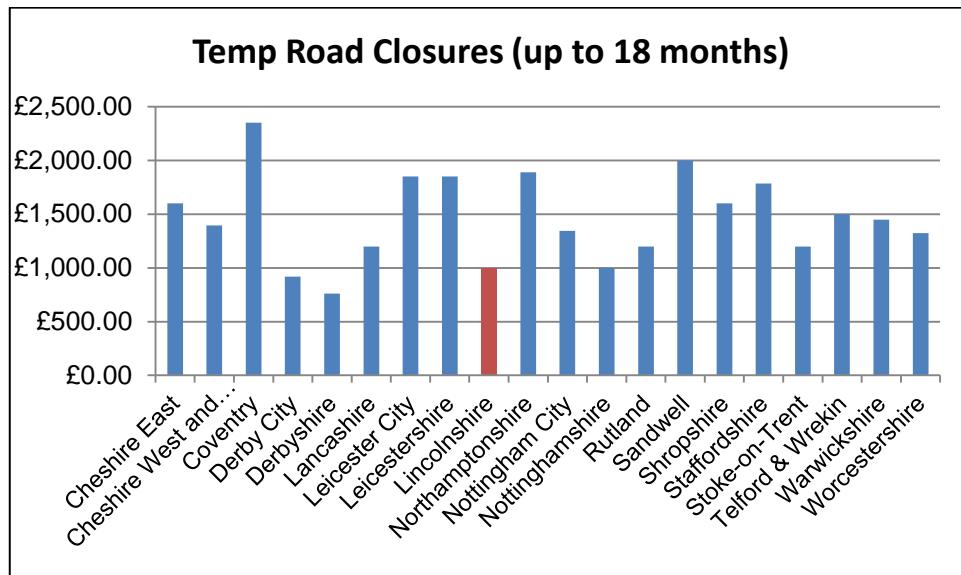
| | Temp Road Closures (up to 18 months) | Temp Road Closures (up to 5 days) | Emergency Road Closures | Extension to Road Closures |
|---------------------------|--------------------------------------|-----------------------------------|-------------------------|--------------------------------|
| Cheshire East | £1,600.00 | £1,250.00 | £1,250.00 | Information not provided (INP) |
| Cheshire West and Chester | £1,395.00 | £175.00 | £672.00 | INP |
| Coventry | £2,350.00 | INP | | |
| Derby City | £920.00 | £920.00 | INP | |
| Derbyshire | £760.00 | £760.00 | £200.00 | INP |
| Lancashire | £1,200.00 | £1,200.00 | INP | |
| Leicester City | £1,850.00 | £250.00 | £500.00 | £250.00 |
| Leicestershire | £1,850.00 | £500.00 | £600.00 | |
| Lincolnshire | £1,000.00 | £675.00 | £300.00 | £330.00 |
| Northamptonshire | £1,888.88 | £993.60 | £993.60 | INP |
| Nottingham City | £1,344.00 | INP | | |
| Nottinghamshire | £1,000.00 | £1,000.00 | £320.00 | INP |
| Rutland | £1,200.00 | £768.00 | £512.00 | £385.00 |
| Sandwell | £1,999.00 | INP | | |
| Shropshire | £1,600.00 | £1,150.00 | | £750.00 |
| Staffordshire | £1,785.00 | £1,071.00 | £521.00 | INP |
| Stoke-on-Trent | £1,200.00 | INP | | |

| | | | | |
|------------------|-----------|-----------|---------|---------|
| Telford & Wrekin | £1,500.00 | £850.00 | £600.00 | £750.00 |
| Warwickshire | £1,450.00 | £1,450.00 | £711.00 | £250.00 |
| Worcestershire | £1,325.00 | INP | | |

Temp Road Closures (up to 18 months)

For this service LCC currently charges £1000. Fees include the preparation of legal documents and notices, co-ordination checks, statutory consultation, advertisement and general administration.

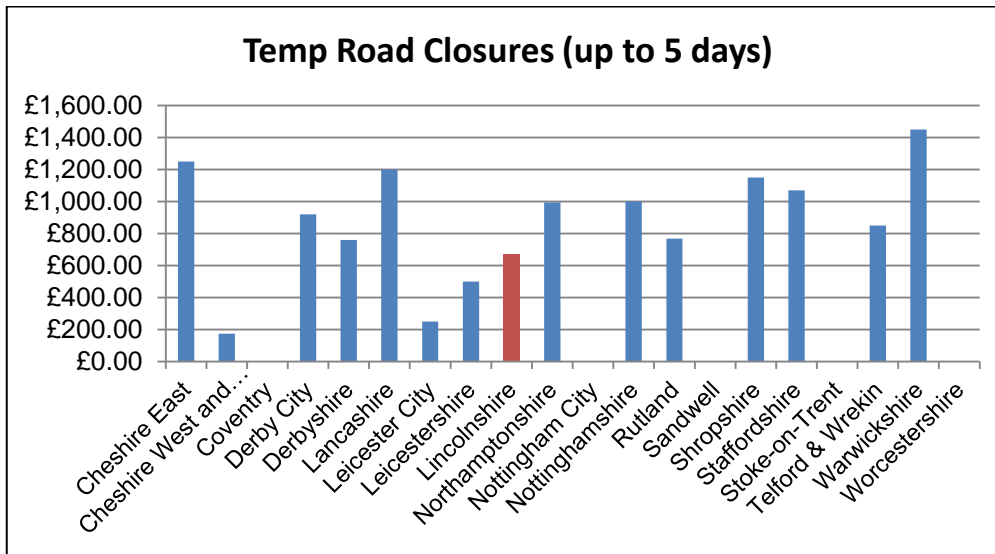
Derbyshire CC charges the least at £760 including advertising, Coventry charges the highest at £2350. The average fee is £1460.



Temp Road Closures (up to 5 days)

Although comparable with fewer Authorities, LCC also charges for the 'temporary closure of a road for up to 5 days' to cover smaller events and works taking place at a reduced rate from the full price for an 18-month closure. For this service, the current price at LCC is £675. Fees include the preparation of legal documents and notices, co-ordination checks, statutory consultation, advertisement and general administration.

On average this works out at £385 including all costs. Cheshire West charges the least amount with a fee of £175 including advertising with Warwickshire charging the highest fee at £1450. The average fee for this service is £867.

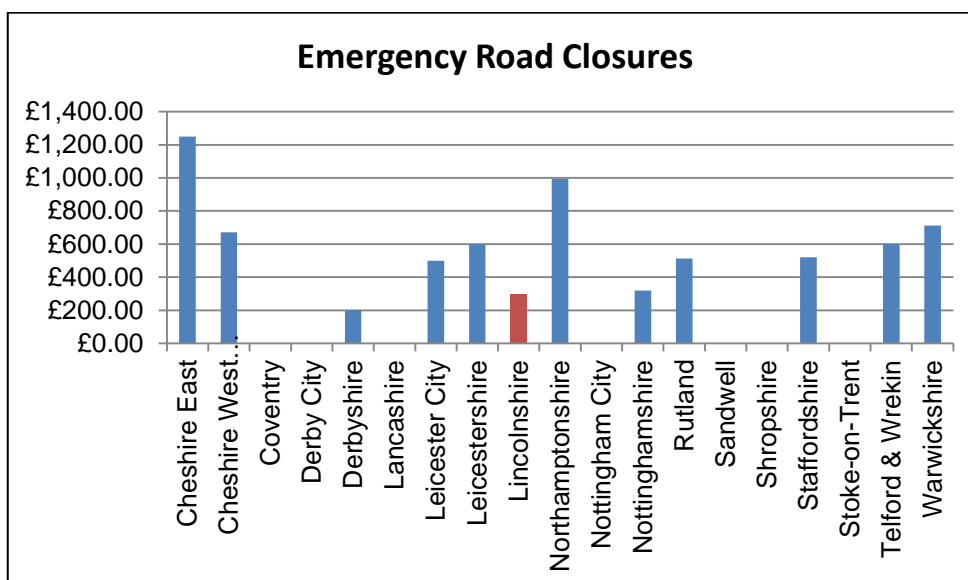


Emergency Road Closures

A section 14(2) allows the authority to grant a temporary notice in cases of danger to the public or damage to the road or right of way e.g. a gas leak, risk of explosion and / or damage to property and public. The applicant must provide a full explanation in writing as to why an emergency notice is required.

The applicant is responsible for providing a suitable diversion route and signing schedule. The applicant is also responsible for placing and then removing the diversionary route signs on-site and reply to all public enquiries with reference to the diversion route and signage. Signing schedule requirements may be waived for some rights of way closures.

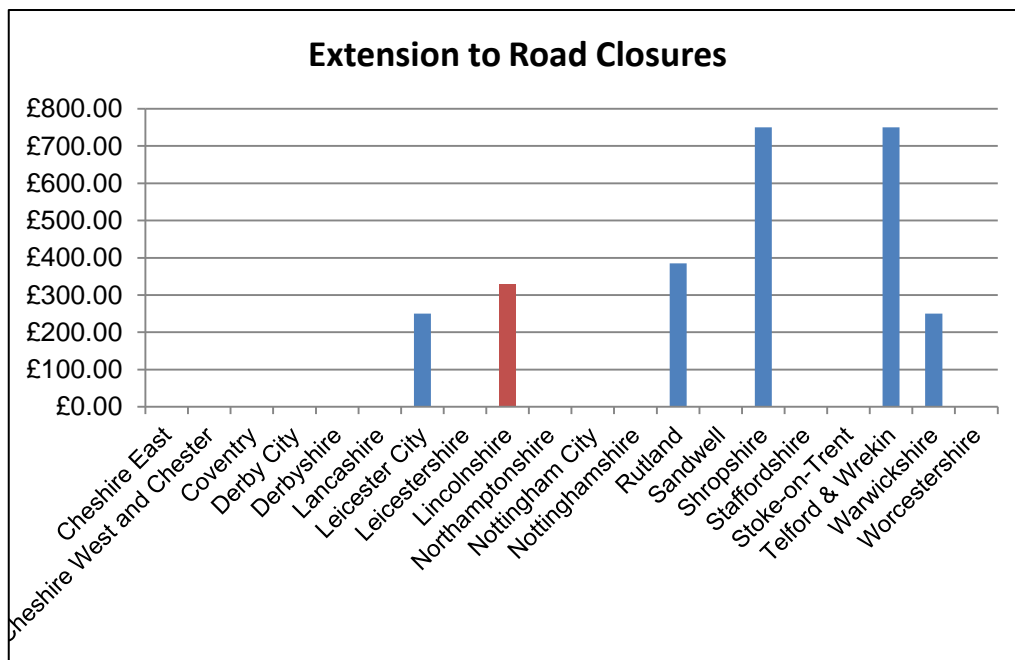
The current fee by LCC for this service is £300. The highest is £1250, levied by Cheshire East, with Derbyshire charging the least at £200, an overall average fee of £598.



Extension to Road Closures

Should an extension be required to the duration of a temporary full order you would need to re-apply for the closure at least one month prior to the original order expiring. Any extension to the closure will be limited in the first instance to six months. Further extensions will require approval from the Secretary of State.

The current fee to extend the period of a road closure charged by LCC is £330. The Authorities charging the least amount were Warwickshire and Leicester City, at a fee of £250 with the highest fee charged by Shropshire & Telford & Wrekin, charging £750. The average fee is £452.



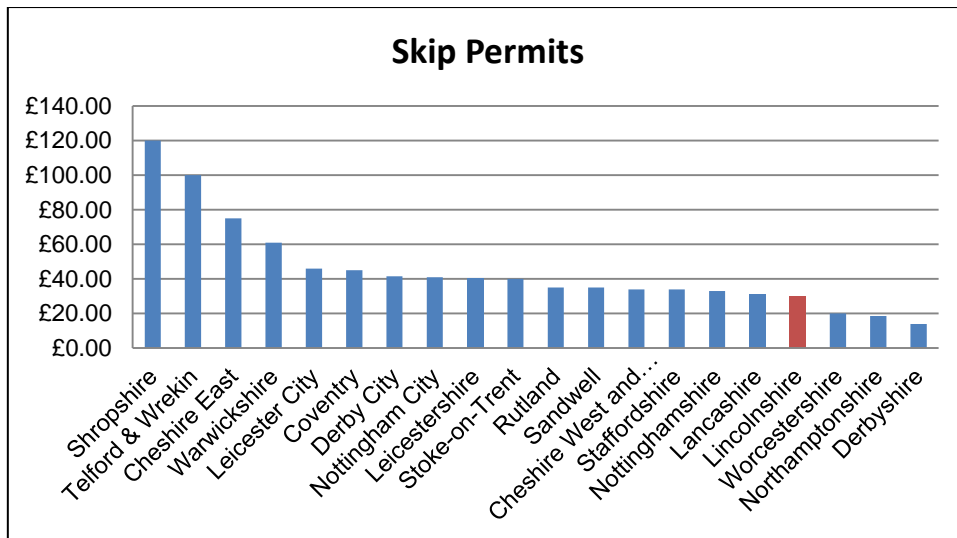
NRSWA and Highway Related Charges

Skip Permit

If an applicant wishes to place a skip on the public highway the company that supplies it should apply for a skip permit on the applicant's behalf. This is a service for which prices vary dramatically by Authority with the lowest fee, charged by Derbyshire CC, standing at £14 and the highest levied by Shropshire CC at £120.

| | Current | Minimum Charged | Maximum Charged | Average Fee Calculated from |
|-------------|---------|-----------------|-----------------|-----------------------------|
| Skip Permit | £30 | £14 | £120 | £45 |

| | |
|---------------------------|---------|
| Shropshire | £120.00 |
| Telford & Wrekin | £100.00 |
| Cheshire East | £75.00 |
| Warwickshire | £61.00 |
| Leicester City | £46.00 |
| Coventry | £45.00 |
| Derby City | £41.60 |
| Nottingham City | £41.00 |
| Leicestershire | £40.00 |
| Stoke-on-Trent | £40.00 |
| Rutland | £35.00 |
| Sandwell | £35.00 |
| Cheshire West and Chester | £34.00 |
| Staffordshire | £34.00 |
| Nottinghamshire | £33.00 |
| Lancashire | £31.00 |
| Lincolnshire | £30.00 |
| Worcestershire | £20.00 |
| Northamptonshire | £18.63 |
| Derbyshire | £14.00 |



Scaffolding Permit

When carrying out any building work/maintenance or removal of any part of a property which is adjacent to the public highway (road, pavement or public right of way), the safety of all users of the highway must be paramount. This is achieved by providing safe areas at ground level by erecting a hoarding or at a high level with a platform.

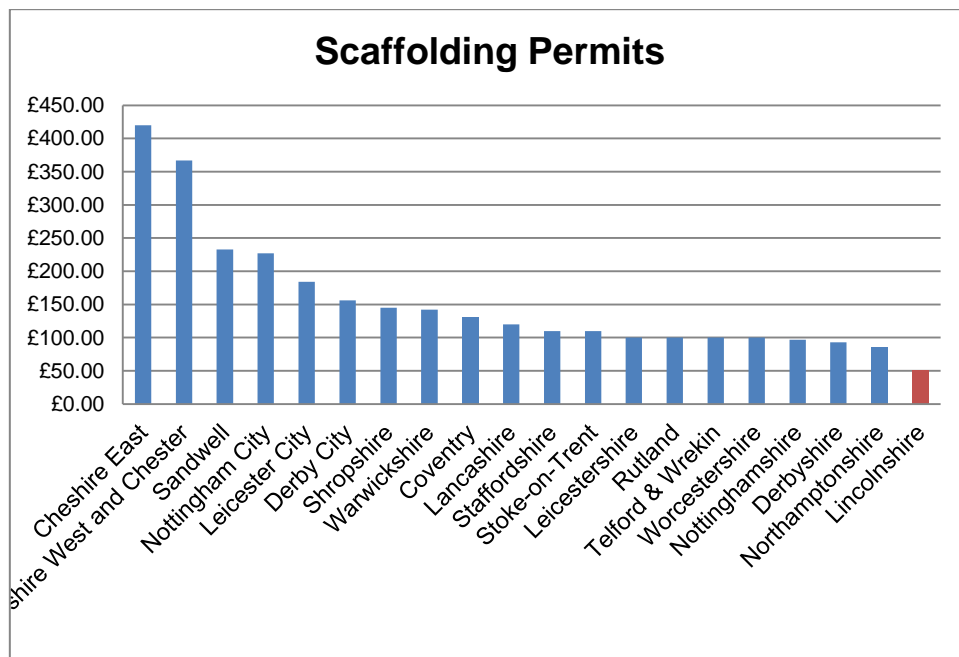
Any scaffold, hoarding or similar structure to be erected on the highway requires a permit, although the need for a hoarding can be dispensed with subject to written consent being granted by the Highway Authority.

The lowest fee charged is by Lincolnshire CC where the cost is £50.00 for a 28 day period of erection. The highest fee, for the same period, is £420 charged by Cheshire East. The average fee works out as £153.

| | Current | Minimum Charged | Maximum Charged | Average Fee Calculated from |
|--------------------|---------|-----------------|-----------------|-----------------------------|
| Scaffolding Permit | £50 | £50 | £420 | £153 |

| | Cost | Duration |
|---------------------------|---------|----------|
| Cheshire East | £420.00 | 28 days |
| Cheshire West and Chester | £367.00 | 28 days |
| Sandwell | £233.00 | 1 month |
| Nottingham City | £227.00 | 14 days |
| Leicester City | £184.00 | 28 days |
| Derby City | £156.00 | 14 days |
| Shropshire | £145.00 | 28 days |
| Warwickshire | £142.00 | 28 days |
| Coventry | £130.00 | 14 days |
| Lancashire | £120.00 | 28 days |

| | | |
|------------------|---------|---------|
| Staffordshire | £110.00 | 28 days |
| Stoke-on-Trent | £110.00 | 14 days |
| Leicestershire | £100.00 | 28 days |
| Rutland | £100.00 | 28 days |
| Telford & Wrekin | £100.00 | 28 days |
| Worcestershire | £100.00 | 28 days |
| Nottinghamshire | £97.00 | 28 days |
| Derbyshire | £93.00 | 28 days |
| Northamptonshire | £85.00 | 28 days |
| Lincolnshire | £50.00 | 28 days |



Section 50 Licence

A Private Licence to place and retain apparatus within a maintainable highway is made for the installation of surface water or mains connections, installation of manholes, electric cables/ducting, and gas services or for privately maintained sewers.

This is the right to excavate the highway under the New Road and Street Works Act 1991 and is applicable to all applications made by non-utility members (private individual, developer or contractor). The licence grants temporary authority to excavate the highway for the duration of those works.

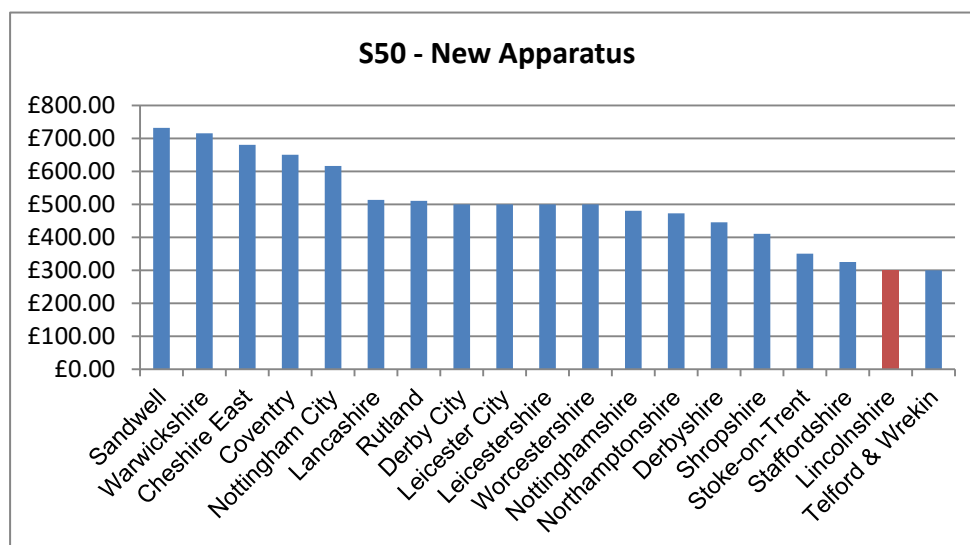
The fees for this type of licence are broken down into New Apparatus and Existing Apparatus by many local authorities, whereas some have just one fee. Where there is only one fee it has been put against the New Apparatus chart.

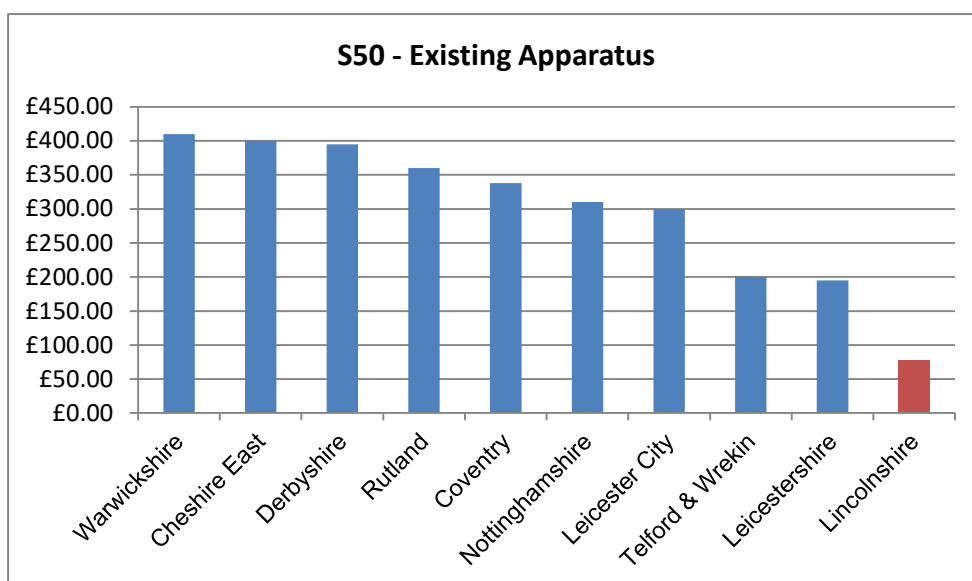
Prices vary dramatically by Authority with the lowest fee, charged by Telford & Wrekin and also ourselves, Lincolnshire County Council, standing at £300. The highest is levied by

Sandwell CC at £732. The average fee is £500.

| | Current | Minimum Charged | Maximum Charged | Average Fee Calculated from |
|--------------------|---------|-----------------|-----------------|-----------------------------|
| Section 50 Licence | £300 | £300 | £732 | £500 |

| | New | Existing |
|---------------------|----------------|--------------------------|
| Sandwell | £732.00 | Information not provided |
| Warwickshire | £715.00 | £410.00 |
| Cheshire East | £680.00 | £400.00 |
| Coventry | £650.00 | £338.00 |
| Nottingham City | £616.00 | Information not provided |
| Lancashire | £513.00 | Information not provided |
| Rutland | £510.00 | £360.00 |
| Derby City | £500.00 | Information not provided |
| Leicester City | £500.00 | £300.00 |
| Leicestershire | £500.00 | £195.00 |
| Worcestershire | £500.00 | Information not provided |
| Nottinghamshire | £480.00 | £310.00 |
| Northamptonshire | £472.00 | Information not provided |
| Derbyshire | £445.00 | £395.00 |
| Shropshire | £410.00 | Information not provided |
| Stoke-on-Trent | £350.00 | Information not provided |
| Staffordshire | £325.00 | Information not provided |
| Lincolnshire | £300.00 | £77.50 |
| Telford & Wrekin | £300.00 | Information not provided |





S171 - Road Opening Permit

Section 171 of the Highways Act 1980 allows for persons to temporarily deposit building materials or other items in a street, or to make a temporary excavation, as long as they have the consent of the relevant highway authority

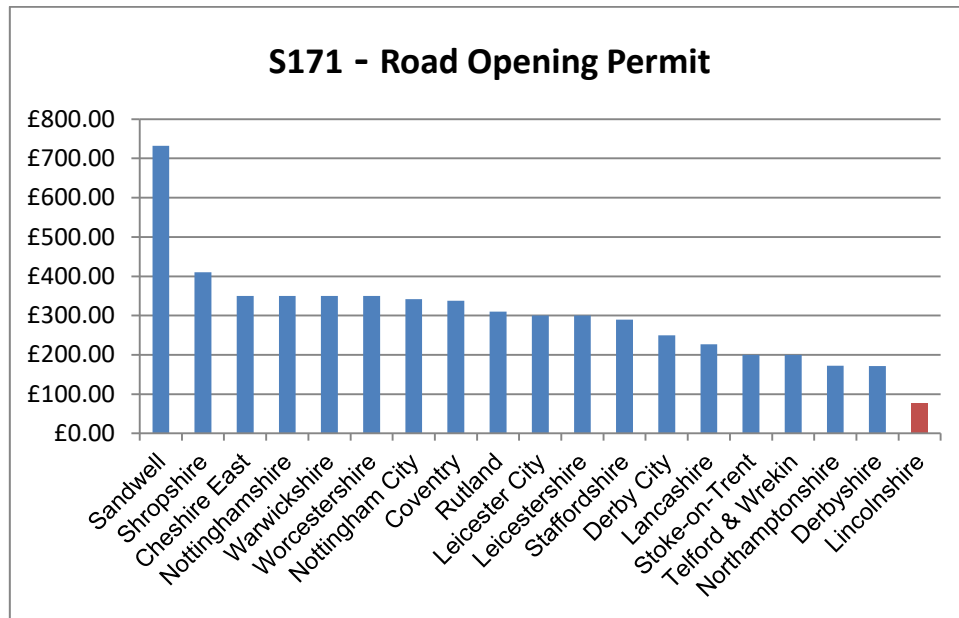
The lowest fee is charged for by ourselves Lincolnshire County Council, standing at £77.50 and the highest is by Sandwell CC at £732, which is £654.50 more than we currently charge.

The average fee is currently £301 which is £223.54 more than LCC currently charge.

| | Current | Minimum Charged | Maximum Charged | Average Fee Calculated from |
|--------------------|---------|-----------------|-----------------|-----------------------------|
| Section 171 Permit | £77.50 | £77.50 | £732 | £301 |

| | Value | Comment |
|-----------------|---------|------------------------|
| Sandwell | £732.00 | |
| Shropshire | £410.00 | |
| Cheshire East | £350.00 | Excavation and storage |
| Nottinghamshire | £350.00 | |
| Warwickshire | £350.00 | |
| Worcestershire | £350.00 | |
| Nottingham City | £342.00 | |
| Coventry | £338.00 | |
| Rutland | £310.00 | |
| Leicester City | £300.00 | |
| Leicestershire | £300.00 | |
| Staffordshire | £290.00 | |
| Derby City | £250.00 | |

| | | |
|------------------|---------|--|
| Lancashire | £227.00 | |
| Stoke-on-Trent | £200.00 | |
| Telford & Wrekin | £200.00 | |
| Northamptonshire | £172.00 | |
| Derbyshire | £171.20 | |
| Lincolnshire | £77.50 | |



S184 – Dropped Kerb/Access

A dropped kerb, or crossover, is a lowered kerb that allows you to access your driveway from the road by driving across the pavement.

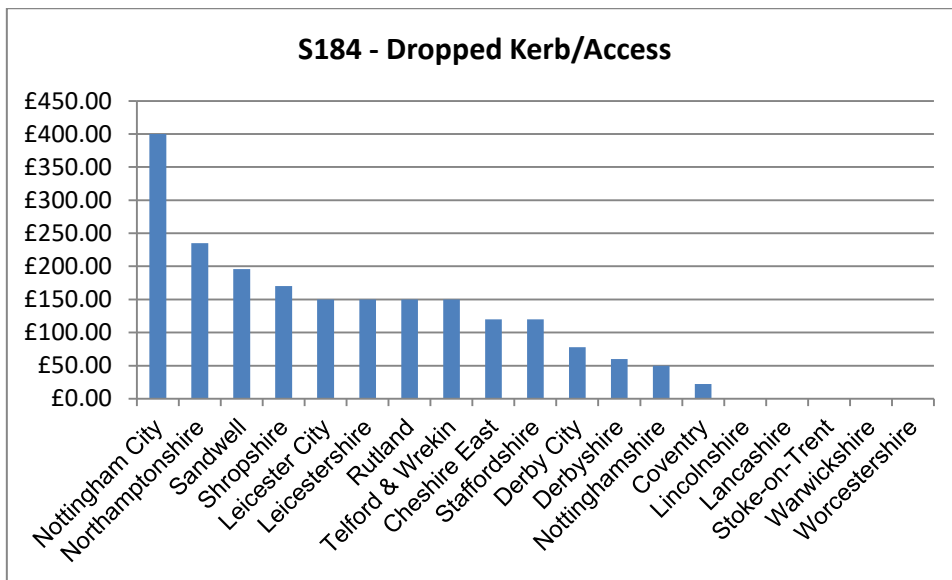
It has been noticed from our findings that the majority of councils charge for these applications, however at present Lincolnshire County Council do not. The average fee as shown below is based on those councils who do charge for these and works out at a rate of £136. Nottingham City Council currently charges the highest amount of £400.

In 2017/2018 there were 350 S184s applications made.

| | Current | Minimum Charged | Maximum Charged | Average Fee Calculated from |
|-------------------------|---------|-----------------|-----------------|-----------------------------|
| Section 184 Application | £0 | £0 | £400 | £136 |

| | Value | Comment |
|------------------|---------|---------|
| Nottingham City | £400.00 | |
| Northamptonshire | £235.00 | |
| Sandwell | £196.00 | |
| Shropshire | £170.00 | |

| | | |
|---------------------|--------------|--------------------------|
| Leicester City | £150.00 | |
| Leicestershire | £150.00 | |
| Rutland | £150.00 | |
| Telford & Wrekin | £150.00 | |
| Cheshire East | £120.00 | Retrospective = £420 |
| Staffordshire | £120.00 | |
| Derby City | £78.00 | |
| Derbyshire | £60.00 | |
| Nottinghamshire | £50.00 | |
| Coventry | £22.00 | |
| Lincolnshire | £0.00 | |
| Lancashire | | Information not provided |
| Stoke-on-Trent | | Price on application |
| Warwickshire | | Price on application |
| Worcestershire | | Information not provided |



Other Charges made by LCC / Other Local Authorities

Fixed Penalty Notices

The Lincolnshire Permit Scheme (LIPS) came into effect on October 5th 2016 at which point permit fee charges and Fixed Penalty Notices were applicable.

The permit regulations create two FPN offences for statutory undertakers:

- Carrying out activities on the street without a permit, or in the case of immediate works not applying for a permit within two hours of the works starting
- Carrying out activities on the street or highway in a way that contravenes the conditions attached to a permit, or the conditions that are applied to an immediate activity before a permit is issued for those activities

Fixed Penalty Notices offer the offender an opportunity to discharge liability for an offence by paying a penalty and Regulation 25 provides for a discount for early payment. The penalty amount is £500 for working without a permit, but a discounted amount of £300 is available if payment is made within 29 days. For working in breach of a condition the penalty is £120 and the discounted amount is £80 (see table below).

Where a Fixed Penalty Notice has been issued for an offence, but the Authority forms the view that it would be more appropriate to prosecute the offender the Authority must withdraw the Notice under Regulation 27 before bringing the proceedings. Once the Fixed Penalty Notice has been paid, however, no prosecution in relation to the offence can be brought.

The Authority may prosecute the offence through the courts following the usual processes. Normally this option will be invoked where an undertaker is persistently offending on an issue that the Authority considers serious.

| | Penalty Amount | Discounted Rate |
|--------------------------|-----------------------|------------------------|
| Working without a permit | £500 | £300 |
| Breach of condition | £120 | £80 |

NRSWA Charges

| Service | Charge |
|--|---------------|
| NRSWA Private Street Works Licence (New Apparatus) | £300 |
| Structures/Cables over the Highway | £300 |
| Road Opening Permit | £77.50 |
| Section 50 Inspection Fees (Per Additional Lengths) | £77.50 |
| Investigatory Inspection Fees | £50 |
| Defect Inspection Fees | £50 |

Section 74

Section 74 of NRSWA allows highway authorities to charge undertakers if street works are unreasonably prolonged (i.e. take longer than previously agreed). If the works take longer they become 'unreasonably prolonged' - and the highway authority may levy a charge for each day, or part of a day, in excess of the prescribed or reasonable period.

The below shows the fees that are chargeable for a Section 74 depending on the road category the offence was committed on.

| Description of Street | Amount (each of first three days) | Amount (each subsequent day) |
|--|--|---|
| Traffic sensitive street or protected street not in cat 2,3 or 4 | £5000 | £10000 |
| Other street not in category 2,3 or 4 | £2500 | £2500 |
| Traffic sensitive street or protected street in cat 2 | £3000 | £8000 |
| Other street in category 2 | £2000 | £2000 |
| Traffic sensitive street or protected street in cat 3 or 4 | £750 | £750 |
| Other street in cat 3 or 4 | £250 | £250 |

Advisory Entrance Marking

The marking is used to highlight the entrance to driveways and access to properties, however the markings are advisory only and cannot be enforced. The current guidance does not allow for the use of advisory entrance markings. However, from time to time, requests for the marking to be installed to encourage more considerate parking in restricted areas are considered. Whilst in most cases the perceived requirement would not meet the criteria for installation, there could be occasions when the markings may be laid down. There is no current comparison data for this task, however the task should not incur costs upon the Council and therefore a charge would be raised.

| Task | Cost |
|-------------------------|-------------|
| Installation of marking | £250 |
| Refresh of marking | £100 |

Conclusion and Recommendations for further analysis

It is vital that Local Authorities are clear as to where cost recovery is justifiable and can demonstrate that all service fees and charges are applied effectively and fairly.

In the Ministry of Housing, Communities & Local Government (NAO) 2018 Financial Sustainability of Local Authorities report it was noted that:

"Recent growth in income from sales, fees and charges means that a greater share of the cost of service provision now falls on the service user.....Across all non-social-care service areas as a whole, income from sales, fees and charges increased from 16.1% to 21.9% as a share of total spend."

It is clear that Lincolnshire County Council somewhat lags behind in the recovery of fees and charges compared to neighbouring authorities, placing further strain on the council budget.

The evidence provided in this exercise suggests questioning several key areas of the Authority with regards to cost recovery and the viability for areas of cost increase:

- Does a policy exist for this authority regarding cost recovery?
- Are services periodically reviewed to determine if the use of fees and charges is appropriate?
- How comprehensive is the available information on fees and charges?
- Is this information sufficient for base cost attribution?
- How frequently are these fees and charges reviewed?
- If relevant what review procedures are in place?
- Are differential fees considered for example early payment, discounts?
- Are payment method options systematically reviewed?
- How are non-payment of fees and charges dealt with?

Recommendations were formulated by looking at the current prices for the provision of a specific service, document or publication across as the 19 Local Authorities where possible and discerning what is the highest, lowest and average amount being charged at present. These prices were then compared with the current fees at LCC and a recommendation to increase the price made when it showed that the fees charged lag behind the charges applied elsewhere.

The benchmarking exercise should be undertaken on a biannual basis to ensure charges and fees remain at a level that reduces or eliminates the financial burden on the Council and takes the effects of inflation into account.