

Cabinet

16 July 2024

County Highways review of licenced activities and charges

Recommendation

That Cabinet approves the proposed increases in fees and charges for licenced and permissive highway activities at the levels detailed in this report.

1. Executive Summary

- 1.1 Warwickshire County Council (WCC) as Local Highway Authority (LHA) licences various activities specified in the Highways Act 1980 and permits other activities to take place on the highway through the submission and approval of licence applications. The County Council has the power to charge for carrying out these functions under the Local Authorities (Transport Charges) Regulations 1998. These licences and approvals have been reviewed and a new pricing structure is proposed.
- 1.2 The charges for licences and services provided by County Highways have not been subject to a review for a number of years albeit annual inflation increases have typically been applied. This review has identified that Warwickshire County Highways are currently failing to recover all costs associated with administering and granting licences. The proposed fee increases detailed in this report have been benchmarked against existing services within the Council and the fees charged by other neighbouring LHA's who provide a comparable level of service.
- 1.3 The proposed increases are based on a detailed re-assessment of the cost to the Council of providing the service. Without increasing the fees by the proposed amount, the activities covered will continue to make an overall loss and thus any shortfall be subsidised by the Council.
- 1.4 The increased charges will enable County Highways to fully recover the costs of providing these services without making a surplus or generating income above the level of that required to provide an efficient and cost-effective service.
- 1.5 An annual price rise is proposed in line with other Council activities. This will ensure that these services stay current with the costs of the activities to the council.

2. Financial Implications

- 2.1 The costs associated with providing the relevant licences and services have been reviewed thoroughly. This has included: analysis of staff hours, the cost incurred in attending site meetings and carrying out surveys of the highway and overheads costs, such as the bespoke software packages used. Appendix 1 provides a full breakdown of the associated costs incurred by County Highways, for the administration and granting of licences.
- 2.2 The costs of providing these services are currently subsidised by other budgets from within the County Highways overall budget allocation. The current situation redirects funding away from essential core relevant activities such as verge maintenance, gully cleansing and pothole repairs and subsidises commercial activities which should be redirected to highway safety and ensuring the transport network is fit for purpose. The introduction of this pricing structure will allow the services to be self-supporting, negating the need for other services provided by County Highways to support these activities.
- 2.3 An annual review of pricing is proposed in line with other services provided by WCC. As part of setting the 2024/2025 budget, 2% inflation was applied to certain income budgets to reflect increase in fees and charges, in line with similar inflationary increases to cost budgets. Annual increases in the charges within this report will be considered on an annual basis as part of the budget setting process.
- 2.4 Implementing the cost increases detailed in this report will allow for all costs associated with the administration and granting of highway licences to be fully recovered, and the service to be cost neutral to the Council. This will have the added benefit of a single price rise, following implementation, enabling customers and contractors to be fully informed and have an opportunity to be notified of the changes and the reasons for implementing the change.

Table 1.

Service	Current charge (£)	Proposed new charge (£)
Skips	67.00	95.00
Scaffolding	155.00	210.00 or 300.00
Hoarding	155.00	210.00 or 300.00
Deposit of materials	55.00	95.00
Temporary Structures	155.00	210.00

Developer signing	0	95.00
Events signing (except charity)	0	75.00
Access Protection Markings	49.00	175.00
Dropped Kerb access	132.00	160.00
Advisory Disabled Bays	0	0

- 2.5 Licences for some activities (scaffolding and hoarding) are proposed to have an optional 1 month or 3 month licence period, to give contractors and residents more flexibility and to improve the coordination of activities on the highway. This is a change from the current procedure, which permits licences of up to three months, and should benefit both the contractors and Council, for example, businesses can make use of the shorter licence period at the reduced rate and for the Council this will incentivise the removal of said structures from the public highway, in a timely manner, thus reducing street clutter.
- 2.6 Temporary Structures are currently licenced for up to 3 months. It is intended to reduce this period to 1 month, with additional emphasis placed on contractors to provide comprehensive information relating to the need for temporary structures. The equipment used is often for a short time period (say one or two days) and the extended period of up to 3 months is now not considered necessary or appropriate.

3. Environmental Implications

- 3.1 None arising from this report.

4. Supporting Information

- 4.1 Under various sections of the Highways Act 1980, the County Council is responsible for licencing activities or the placement of building equipment on the highway. This includes skips, cranes, scaffolding, hoarding and a range of other similar equipment. In addition, the County Council is the body that is authorised to give permission to homeowners for changes to the highway, such as dropped kerb accesses, access protection markings, and disabled bay markings.
- 4.2 Currently the Council levies a range of charges to contractors, builders and homeowners for these licences and permissions. A full review of licenced activities has been undertaken to ensure that these charges are appropriate.

- 4.3 The Council is also the body that gives permission for other activities, such as the placement of temporary signing (e.g., housing developer directional signage), which may result in commercial gain for the applicant. These services are currently provided at no cost to the applicants. These activities have also been reviewed, and a new pricing structure for these activities is proposed to be introduced in order to ensure these licensable activities are not being subsidised and costs to the Council are being recovered. Appendix 2 details the costs associated with providing licences and permissions for activities.
- 4.4 As part of the review process, benchmarking has been carried out with boundary sharing neighbouring Highway Authorities. To compare the licence service provided, including time, cost and notification periods. Retrospective licences have also been included in the review.
- 4.5 Where benchmarking has been undertaken with Unitary Authorities there may be a greater cost differential between our proposed charges and the corresponding charges levied by Unitary Authorities. Both Coventry and Solihull are smaller geographic areas, and as such do not carry the same level of expenditure for on site inspections, liaison with contractors or technical approvals.

Table 2. Benchmarking

LHA	SKIPS			SCAFFOLD		HOARDING		TEMP STRUCTURE		DEPOSIT OF MATERIAL	ACCESS PROTECT MARKING
	1 month	1 month	3 months	1 month	3 months	1 month	3 month	1 month			
WCC (Existing charges)	67.00		155.00		155.00		155.00		55.00		N/A
WCC Proposed charges	95.00	210.00	300.00	210.00	300.00	210.00	No longer offered		95.00		175.00*
West Northamptonshire Council	108.00	By linear metre-ave 420.00		-		-	-		-		
Solihull Metropolitan Borough Council	75.00	243.00	400.00	243.00	400.00	243.00	400.00		75.00		82.00
Gloucestershire County Council	85.00	140.00	525.00	140.00	525.00	300.00 per day	300.00 per day		120.00		160.00
Staffordshire County Council	80.00	123.00-163.00	369.00-489.00	123.00-163.00	369.00-489.00	120.00	360.00		77.00		

Leicestershire County Council	160.00	200.00	N/A	-	-	-	-	-	
Worcestershire County Council	110.00	220.00	620.00	220.00	620.00	480.00	1440.00	-	
Oxfordshire County Council	170.00	230.00	660.00	220.00	660.00	190.00 max 2 days	N/A	160.00	168.00
Coventry City Council	85.00	160.00	215.00	160.00	215.00	165.00	220.00	50.00	110.00

- 4.6 The benchmarking undertaken, supports the proposed increases in fees and charges. Warwickshire's fees and charges are currently low when compared to other LHAs. The proposed increases will still only place the Council in the mid-range as shown in the table above and ensure that the costs to administer and technically assess each application are fully met.
* Access Protection Markings are currently making a significant loss for the Council due to arrangements and costs defined by the existing highway contract. The increase proposed will cover the actual costs incurred by the Council for providing these road markings meaning they will no longer be subsidised.
- 4.7 The review also highlighted inconsistencies across the range of services and licences provided. The proposed new arrangements will reduce the inconsistencies and deliver a service to the industry and communities that is efficient, cost effective and self-regulating.
- 4.8 Where a licence is required, and has not been sought through application, a retrospective licence will be considered. An enhanced fee of 1.5x the normal licence fee is proposed for this service to cover the additional administration costs and inspection fees that are incurred. It is hoped that this charge will also act as a deterrent and ensure that statutory requirements are followed. The Council will continue to take enforcement action where appropriate to do so.
- 4.9 If an application (whether an initial application or a retrospective one) is not granted, applicants will be informed with an explanation of the grounds for refusal. Most refusals occur due to road safety concerns or other grounds that are legitimate and relevant to the application. Where a refusal to grant an application or retrospective licence occurs the full fee will still be applied as the work required to consider the application has been incurred.
- 4.10 The council is also working on improved applications processes (to include web-based applications for licences). These are being rolled out on a phased approach with skip licences coming first and scaffolding and other licences due to be rolled-out in subsequent phases of the programme.

5. Timescales associated with the decision and next steps

- 5.1 The proposed charges if approved will commence within the financial year 2024/2025. All contractors, builders and regular users of these services will be written to individually (where possible) and advised of the changes to the pricing structure. The new charges are planned to be introduced within 3 months of approval. Web-based information relating to the price of each of the services will be reviewed and amended and clearly stated on the appropriate web pages.
- 5.2 A full review of web-based information relating to each of the licenced activities is likely to be complete within the next 6 months.
- 5.3 Additional digital on-line applications will be incorporated as the system develops.

Appendices

Appendix 1 – Costs associated with the provision of licences and services

Appendix 2 – Review of benchmarking

	Name	Contact Information
Report Author	Carolyn Burrows – Contract and Policy Engineer	carolynburrowsco@warwickshire.gov.uk
Director	Scott Tompkins – Director of Environment, Planning and Transport	scotttompkins@warwickshire.gov.uk
Executive Director	Executive Director for Communities	markryder@warwickshire.gov.uk
Portfolio Holder	Councillor Jan Matecki Portfolio Holder for Transport and Planning	janmatecki@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s): None – this is a County wide report

Other members: Councillors Warwick, Birdi, Boad, Feeney and Roberts