

Title: **Permit Scheme Operating Factors Proposals & Methodology**
 Project: Proposed North Yorkshire Modified Permit Scheme
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1 INTRODUCTION

The purpose of this document is to provide guidance on determining key financial elements essential for developing the proposed Permit Scheme.

1. Identifying total reasonable budget figures for on-going yearly operating costs that form part of the of the Cost Benefit Analysis.
2. In addition to staff costs, identifying reasonable budget figures for the '**Additional Operational Factors**' within the Fees Matrix.

2 YEARLY OPERATIONAL COSTS PROPOSALS

Yearly operating costs, including staff costs and associated overheads. These are anticipated costs incurred in running and managing the scheme.

Below is a **suggested list of budget figures** for consideration and to be used in the CBA as initial assumptions.

Start-up Cost Centre	Yearly operating costs
KPI Production	£50,000
Invoicing	£170,000
IT support	£50,000
Unauthorised / Abandoned works	£80,000
Management Overhead (included in staff costs)	£0
Sub Totals	£350,000
Staff Costs including management overhead (determined by the DfT Costs Matrix)	£1,755,000
Totals	(Revenue matched) £2,105,000

3 ADDITIONAL OPERATIONAL FACTORS EXPLANATION

There are five Additional Operational Factors which are briefly described in the table below:-

Additional Operational Factors	Information Required in determining the costs.	Budget and Methodology
Production of Key Performance Indicators (KPIs) and reports	<p>General consultancy support and considering the range of KPIs to be managed and reported on and the analysis of scheme effectiveness. Required end of year evaluation and reviews including finance, performance, trend analysis, revised CBAs, Carbon impacts, journey time reliability etc.</p>	<p>Ongoing consultancy support and scheme evaluation = £50,000</p> <p>Includes an annual Summary Network Performance report.</p>
Invoicing	<p>The total number of invoices expected to be generated is circa 10 per month with approximately 40 individual lines per invoice.</p> <p>There will be a number of queries from the organisations to be invoiced which will need responding to.</p> <p>There will be debt management and associated time costs and monitoring of the impact on cashflow of any bad debtors.</p> <ul style="list-style-type: none"> • Producing and issuing invoices for PAA, Permits, and Permit variation fees. • Managing follow-up queries and requests for additional information. • Monitoring and recording payments and reporting on levels of debt. • Monitoring and chasing outstanding invoices and payments due. • Pursuing bad debt 	<p>£170,000</p> <p>2 x FTE @ £85,000 at permit scheme costs rates.</p>
IT Software and hardware	<p>The cost of supporting upgraded systems and associated IT equipment.</p> <ul style="list-style-type: none"> • Street Manager upgrade • Street Gazetteer • Email program • Operating System 	<p>£50,000</p> <p>Initial budget figure</p> <p>Internal recharge</p> <p>Systems / ICT Team support</p>

	<ul style="list-style-type: none"> • Mapinfo • Antivirus • Firewall • Voicemail <p>Photo viewer for drawings, photos etc that are attached to applications and notifications</p>	Budget to allow for migration to Streetworks Manager.
Unauthorised and abandoned activities	<p>There is an assumption of a volume of Cancelled and Abandoned activities at 500 per year.</p> <p>This number will need monitoring.</p> <p>Managing unauthorised activities includes the time taken to assess and action all instances of unauthorised activity irrespective of the stage of works, the activity type, Permit conditions, if applied, or consideration of those conditions that may have been viewed as appropriate had an application been made.</p>	<p>£80,000</p> <p>Initial budget figure</p> <p>Based on 50% of an average Permit fee of £30 x an estimated volume of circa 2,000 based on 5% of applications.</p>
Management and monitoring	<p>10% of a Director or Assistant Director's time to allow for reviewing the service and its impact on the wider highways functions and costs.</p> <p>15% of a Senior Manager time along with support staff to allow for reviewing the service and its impact on the operations of the highways service, co-ordination between highways teams the impact on maintenance requirements and costs.</p>	<p>Budget figure £800,000</p> <p>15% of an AD's time = £40,000</p> <p>25% of a Senior Manager = £50,000</p> <p>Staff overheads based on circa 27 FTEs</p> <p>£710,000</p>

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