

North Yorkshire Council

Environment Executive Members

26 September 2025

Report to Seek Formal Approval to Modify the Existing North Yorkshire Permit Scheme

Report of the Assistant Director – Highways and Infrastructure.

1.0 PURPOSE OF REPORT

- 1.1 This report seeks formal approval from the Corporate Director in consultation with the Executive Member for Highways and Transportation to amend the existing North Yorkshire Permit scheme documentation to reflect the following:
- An increase in permit fees to the maximum level allowed by the Department for Transport (DfT). As set out in Appendix A.
 - A reduction in the discounts offered on certain types of works from 50% to 30%.
- 1.2 Approval is also being sought to recruit additional resource within the team, to be covered by the income brought in by the changes in fees and discounts. Through this recruitment campaign, we intend to pick up the demands of the existing permit scheme and the proposed lane rental scheme, subject to a positive decision from the DfT in respect of the latter.

2.0 SUMMARY

- 2.1 A permit scheme, introduced under the Traffic Management Act 2004, requires utility companies and highway authorities to obtain permission before carrying out works in or on the public highway. Its purpose is to better coordinate street works, minimise disruption to road users, and ensure activities are planned and managed more efficiently.
- 2.2 The current permit scheme is under significant pressure due to an increasing volume of work and the growing complexity of network demands. While operational, the scheme requires further resourcing to ensure full compliance with statutory expectations, manage risk effectively, and continue to align with national best practice and other Yorkshire authorities to ensure regional parity.
- 2.3 These changes are essential to maintain the effectiveness, legal compliance, and financial sustainability of the permit scheme and to protect the integrity of North Yorkshire's highway network.
- 2.4 The existing permit scheme operates on a cost recovery basis, as permitted by legislation. To maintain the effectiveness, compliance, and responsiveness of the scheme, additional staffing resources are required. This increase in resource is cost-neutral to the Authority, as it is covered through the proposed increase in permit fees and reduction in discount given covered in this report.
- 2.5 The uplift will be introduced in accordance with DfT guidance and reflects the actual costs associated with delivering the scheme, including staffing, systems, and overheads.

- 2.6 If given approval to amend North Yorkshire's existing permit scheme to reflect a proposed increase in the permit fees charged to Promoters to undertake work on the Highway, the income will be used to cover additional resource to ensure it can continue to operate effectively. (Appendix B)
- 2.7 If approved, it is both practical and strategic to take the opportunity to streamline the recruitment campaign and look to recruit for both permit operations and the forthcoming Lane Rental Scheme, following approval from the DfT.
- 2.8 Given that a requirement of a successful implementation for Lane Rental includes the need to recruit for additional staff, as set out in the Cost benefit Analysis, aligning the resourcing of both initiatives will ensure consistency, optimise operational efficiency, and support the effective delivery of both programs.

3.0 BACKGROUND

- 3.1 In parallel to the Permit scheme, the Authority is in the process of seeking approval from the DfT to implement a Lane Rental Scheme of which the anticipated decision was expected in July 2025, however, has been delayed without a commitment to a decision date.
- 3.2 Lane Rental provides the power to charge works promoters for occupation of the highway during peak periods and in high-traffic, strategic locations. This will drive behavioral change, reduce network disruption, and improve journey time reliability.
- 3.3 If successful, implementation was anticipated by early 2026, however, The Department for Transport has subsequently delayed their initial approvals deadline, originally set for the end of July, due to internal workload pressures. At this stage, no revised timescales have been provided, and we do not have an indication of when approval is likely to be received, although it is estimated that it will take around three months from initial DfT approval to Secretary of State's Statutory Instrument (SI) approval.
- 3.4 Given the delays, every attempt is being made to be proactive in order to expedite the implementation process if given initial approval.
- 3.5 Given the close relationship between both functions and the operational similarities they provide, it seems practical to seek approval to recruit staff for the Permit Scheme whilst actively looking to recruit to Lane Rental pending successful application with DfT, as part of a single joined-up recruitment process.
- 3.6 HR has advised that, provided the roles are identical across the schemes, it would be permissible to interview candidates as part of the Permit Scheme recruitment campaign and, if approval for Lane Rental is subsequently granted from DfT, to offer positions to the next highest-scoring candidates provided they are considered to have met the role requirements. This would be valid provided that appointments are made within six months of the original recruitment activity.
- 3.7 On this basis, we are seeking approval to recruit to the Permit Scheme following the fee uplift. Should Lane Rental approval be granted within six months, we propose to offer roles to previously interviewed candidates, thereby avoiding the need to repeat the recruitment process.
- 3.8 Should approval not be sought within six months of the original activity, there will be a requirement to readvertise the roles and conduct interviews.
- 3.9 Should approval not be sought for the implementation of the scheme at all, no further action would be required as part of the recruitment process.

- 3.10 As identified in years 4 to 6 of the North Yorkshire Permit Scheme Evaluation report previously approved by Environment Executive Members on 28 February 2025 (attached as background documentation), the average individual permit cost over the three years was £42. This has risen in line with rising costs but is still a low figure compared to what is seen across the industry. This is due to the lower-than-average permit fees being charged. The expected industry range is £50 to £70.
- 3.11 The Permit Scheme staffing levels have been maintained, yet the volume of applications has increased. The total number of permits increased from 185,949 (2018/19) to 205,813 (2021/22) with Permit variations rising to over 62,000 in 2021/22.
- 3.12 2021/22 saw an influx of fibre schemes, led by central government which resulted in fibre permit fee income alone rising to £560,765 compared to £338,330 in 2018/19, an increase of 66%.
- 3.13 This data directly correlates with the workload pressure on the Street Works team. Despite this, staffing levels have not kept pace, resulting in overextended personnel and operational risk.
- 3.14 To ensure the Permit Scheme is fully resourced so it can continue to deliver its operational requirements, increased revenue will need to be realised from an increase in fees and a reduction in discounts offered to cover rising costs.
- 3.15 Currently, the North Yorkshire Permit Scheme offers a reduction in fees to incentivise collaborative working. This is set at 50%, however, all other schemes in the Yorkshire and Northeast region offer a 30% discount. We propose to amend the permit documentation to reflect a 30% discount to bring it in line with the rest of the region and to ensure that the scheme can run effectively.
- 3.16 Investing in additional staff would enable:
- Improved permit processing times
 - Enhanced compliance inspections
 - Greater coordination of works to minimise disruption.
 - Ensures inspection of reinstatements within the two-year guaranteed window.
 - Improved customer and stakeholder service
 - Positions the Authority to proactively manage future pressures, including the rollout of 6G and infrastructure upgrades for EV charging and hydrogen gas.

4.0 CONSULTATION OVERVIEW

- 4.1 Any changes made to a Permit Scheme are subject to a four- week consultation with both internal and external works promoters as per the Traffic Management Permit Scheme (England) Regulations 2007.
- 4.2 The consultation process involves the following:
- Stakeholder engagement and feedback with utility companies, contractors, emergency services and transport advocacy groups.
 - Use of online platforms to gather a wide range of opinions and data.
 - Implementation a communication plan to inform stakeholders about the consultation process, its importance, and how they can participate.
 - Provide regular updates on the consultation progress and how feedback is being used to shape the scheme.
- 4.3 Following completion of the consultation process the intention is to provide an update including the comments and queries from stakeholders, along with the Authority's responses.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 There is the option that the Authority could choose to make no changes to the fees or staffing and continue with its current permit scheme operational documents, however lack of resource poses significant risk to operation. Continued workload pressures and keeping the fees at the existing level will result in the scheme running at a loss.
- 5.2 If successful in our Lane Rental application with the DfT, early recruitment and training can take place in the three months between the initial approval and the Statutory Instrument, resulting in go live taking place shortly after.
- 5.3 Further delay in resourcing the Permit Scheme may result in declining performance and compliance.
- 5.4 The uplift is in line with the Traffic Management Permit Scheme (England) Regulations 2007 and as set out in the statutory guidance and supported by transparent cost recovery justification. There is also a benefit to Undertakers in that all the schemes in the Yorkshire area will operate the same way, lending itself to the issue of parity, which the permit scheme is designed to do.

6.0 RESOURCE PROPOSAL

- 6.1 As mentioned, there is a desire to streamline the recruitment process to include any vacancies for permit operations to be extended to cover the forthcoming Lane Rental Scheme given that the posts excluding one will be the same.
- 6.2 Approval is therefore sought to proceed with the recruitment of staff to both schemes with staffing costs for permit operations covered by the increasing of permit fees and Lane Rental surplus to cover scheme operational costs in alignment with Department for Transport (DfT) guidance.

Post	Description	Funded from Lane Rental	Funded from Permit Scheme	Cost to Authority inc. NI & Pension Contributions (top of spinal point) inc. 4% pay inflation
SENIOR COORDINATION OFFICER (existing post)	Lead the implementation, manage governance and oversee scheme operations	1 FTE BAND M	N/A	£68,135
COORDINATION OFFICER (existing Post)	Manage increased permit volumes and ensure timely approvals	2 FTEs Band J	3 FTEs Band J	£283,555
CHARGING OFFICER (new post)	Monitor surplus fund use, produce DfT returns and performance	1 FTE BAND K (Job Evaluation dependent)	N/A	£56,711
STREET WORKS INSPECTOR (existing post)	Carry out compliance checks and enforcement in lane rental streets	N/A	2 FTEs Band I	£101,030

- 6.3 To strengthen the existing permit scheme, we are looking to recruit an additional five posts at an estimated cost of £271,163.
- 3x Coordination Officers
 - 2x Street Works Inspectors
- 6.4 As per the cost-benefit analysis for Lane Rental, we are looking to recruit four additional posts at an estimated cost of £238,268.
- 1x Senior coordination Officer
 - 2x Coordination Officers
 - 1x Charging Officer

7.0 FINANCIAL IMPLICATIONS

- 7.1 The funding model is as follows:
- Permit Scheme staff are fully funded through an uplift in permit fees to the maximum level allowable by DfT, making it cost-neutral to the Authority.
 - Lane Rental staff are funded through income generated by the scheme once in place (with initial setup support to be confirmed). The Cost Benefit Analysis estimates income at £1.3 million per annum with £567K initial set up costs, subject to DfT approval. The surplus in relation to Highways Maintenance will contribute to savings included in the budget and MTFs and any additional surplus is to be spent on innovation as per the Lane Rental guidance.

Permit Scheme

- 7.2 To offset the cost of additional resource for the permit scheme, it is proposed to increase the fees to the maximum level allowed by the DfT as set out in the fee table. (Appendix C).
- 7.3 The maximum figure is supported by evidence of the costs associated with the permit scheme. This ensures that permit fees are not applied where Lane Rental (if approved) is in effect on a highway. Whilst approval is sought to roll together the recruitment processes for efficiency, it is important to note that the permit scheme and Lane Rental are distinct schemes and must be accounted for separately.
- 7.4 At the current fee level, the position over the past 6 years has been:
- Yr1 Balanced
 - Yr2 £331,100 surplus
 - Yr3 £131,100 surplus
 - Yr4 £38,353 surplus
 - Yr5 £87,445 loss
 - Yr6 £288,360 loss
- 7.5 Resulting in a total for the first 6 years of a surplus of £124,748.
- 7.6 Based on the latest 3 years average Utility granted permit volumes, the potential income at maximum charges is £2,106,000 As set out in (Appendix D and E)
- 7.7 Current income is £1,775,476. Costs are now £2,063,836 showing a loss of £288,306 Therefore, moving to maximum charges will potentially generate (subject to volumes) an extra £330,000 putting the Authority back in a cost neutral position.

Current Costs	Current income	Increase in expected income generated from additional posts (cost neutral)	Cost of Additional posts	Additional income from increasing the fees
£2,063,836	£1,775,476	£330,524	£271,163	£330,524

7.8 In summary, increasing the maximum charge of permit fees will increase current income from £1,775,476 to an estimated £2,106,000 – an increase of £330,524. This will offset the current deficit of £288,360. In addition, it is proposed an additional 5 staff will be recruited for the permit scheme at a cost of £271,163. Estimates are that these staff will generate further additional income of £330,524 so are fully funded.

7.9 This increase in income should cover the cost of the additional staff and should also go some way in recovering the potential loss of any income brought about by legislation changes which came into force in April 2023 which included changes to inspection regimes and a reduction in Traffic Sensitivity criteria, resulting in reduced income for the Authority.

7.10 The additional resource should also alleviate the potential increase in workload that these recent changes have brought about.

Lane Rental

7.11 It is proposed to recruit 4 staff if the Lane Rental Scheme goes ahead, at a cost of £238,268. These costs would be fully funded by income from the Lane Rental Scheme.

8.0 LEGAL IMPLICATIONS

8.1 Permit schemes were introduced in Part 3 of the Traffic Management Act 2004 and are regulated by the Traffic Management Permit Scheme (England) Regulations 2007 (as amended) (“the Regulations”).

8.2 The Deregulation Act 2015 amended the Traffic Management Act 2004 enabling Highway Authorities to make and vary their own schemes and in doing so Authorities are required to have regard to the Regulations and the Statutory Guidance issued by the Department of Transport. The current DfT statutory Guidance is the “Permit Schemes: statutory guidance for highway authorities” published in July 2022 (“the Guidance”).

8.3 Before varying a scheme there is a requirement to carry out a consultation. The consultation must be carried out in accordance with the Regulations and the Guidance.

8.4 There are no legal implications foreseen in proposing and consulting on a variation of the scheme being carried out in accordance with statutory requirements. Further consideration may need to be given of whether any legal implications arise as the proposals for the schemes progress through to implementation.

9.0 EQUALITIES IMPLICATIONS

9.1 No equalities implications foreseen. (Appendix F).

10.0 CLIMATE CHANGE IMPLICATIONS

10.1 No Climate change implications foreseen. (Appendix G)

11.0 REASONS FOR RECOMMENDATIONS

- 11.1 Subject to approval of this report, the Authority will look to amend the existing North Yorkshire Permit Scheme Documentation for consultation with key stakeholders for a period of four weeks and comments in relation to the changes will be fed back to officers for review.

12.0 RECOMMENDATIONS

- 12.1 That the Corporate Director for Environment, in consultation with the Executive Member for Highways and Transportation give approval to go out to consultation for amendments to the existing Permit Scheme, with the attachments set out in Appendices B to E
- 12.2 To proceed with the recruitment of additional staff to strengthen the existing Permit Scheme, following the fee increase with the potential to also recruit staff for the proposed Lane Rental Scheme if the Lane Rental application is given approval by the DfT.

APPENDICES:

APPENDIX A – Fee Structure

APPENDIX B – North Yorkshire Modified Permit Scheme

APPENDIX C – North Yorkshire Modified Permit Scheme Fee Table

APPENDIX D – North Yorkshire Modified Permit Scheme Operating Factors

APPENDIX E – North Yorkshire Modified Permit Scheme DfT Cost Matrix

APPENDIX F – Environmental Impact Assessment

APPENDIX G – Climate Impact Assessment

BACKGROUND DOCUMENTS:

[The North Yorkshire Streetworks Permit Scheme - Years 4, 5 and 6 Permit Scheme Evaluation Report - September 2024](#)

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