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**Bath & North East  
Somerset Council**

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# **Bath and North East Somerset Council Permit Scheme**

**Permit Fee Review Consultation Response 2021/22**

Organisation	Consultation Response	B&NES Response
Water Undertaker	<p>It is recognised that BANES original permit fee structure at launch was on the lower end of the scale compared to some authorities and it was anticipated that following the annual review there would be an increase in proposed charges. It should be borne in mind of course that we have already experienced an increase in some of your scale of charges during the first year of the permit scheme.</p>	<p>Unfortunately, the wrong fees were used to those consulted, the variation on December 1<sup>st</sup>, 2020 rectified that. The potential losses of the scheme were such that action had to be taken. The fee level has been set with consistency in mind and will give you some certainty over costs over a long period.</p>
	<p>The increases which are being suggested however do appear extreme with, in virtually every category, at least a 100% increase in charges. The immediate feeling is that the original calculation of charging bands may well have been a flawed process and that the utilities are now being asked to compensate for that failure with an extreme hike in charging.</p>	<p>The increased charges reflect costs need to recover losses from year 1 and ensure that the scheme in the future no longer runs at a loss. We used the industry standard (DfT) Fees Matrix to identify the required charges.</p>
	<p>We do not accept the relevance of comparing BANES's fees with neighbouring authorities' fees as any review of charges is applicable to the individual authority and any other authorities fees levels are irrelevant and inconsequential.</p>	<p>The comparison with neighbouring authorities' fees was primarily to provide context and to highlight the charges are not unreasonable. It is accepted that each authority is unique in this instance, and it was only to give some feel for the level of change in a regional context.</p>
	<p>We have concerns about the make-up of the review in incorporating allowances made for "leave (annual and sick leave), training and staff development and time away from computer screens" together with "Employer National Insurance and Pension contributions for the above". Not only are these costs which the individual utilities have all had to bear themselves, without financial recompense of course, but which it seems the utility sector is now having to subsidise without knowing the rates which BANES allows for its staff. We should not be responsible for subsidising those costs.</p>	<p>We are following the guidance set out by the DfT Fees Matrix for identifying allowable costs. The Matrix and CBA process follows the national guidance and therefore the resulting out puts meet all the requirements within regulation and guidance.</p>

	<p>Regarding the volumes of permits having to be processed, this is an indeterminable figure. A large part of the period for which the review covers was spent in Covid lockdown and it can be expected that the volumes of permits for review may well increase in the coming years which may expand your fee gathering to unpredictable levels.</p>	<p>Data suggests that the volumes have remained relatively consistent (noticing and permitting) regardless of the pandemic. If the volume of permit applications submitted increases, then the staff resource deployed will have to increase also, to keep pace with activities. In this scenario, the costs to the Council will increase in line with any increase in permit fees charged. The year 3 annual reports will identify if we are over recovering, and action taken accordingly as required.</p>
	<p>Whilst we would acknowledge an increase in fees is likely warranted, if it occurs, this should only be seen as nothing more than a nominal increase with a further review to be undertaken in say April 2023 now that utilities activity has broadly returned to usual levels. It is recognised that you are looking to impose an increase now which is expected to remain constant over the next few years however given the likely increase in permit activity by the electricity and communication sectors during that time period suggests that permit fee income may increase exponentially in the short-term which equally suggests the utility sector generally will suffer significantly increased expenditure subsidising the cost of the permit scheme to an ever-expanding degree. It may even transpire that the extent of this increased income generation more than compensates and offsets the losses of which you are indicating should the fees be increased to the proposed levels now.</p>	<p>If the volume of permit applications submitted increases, then the staff resource deployed will have to increase also, to keep pace with activities. In this scenario, the costs to the Council will increase in line with any increase in permit fees charged. The year 3 and subsequent annual reports will identify if we are over recovering, and action taken accordingly as required. The scheme must meet the regulatory framework and if there is over recovery for instance there will be a fee reduction, there is no reason for the scheme to not link to regulation.</p>
	<p>My instinct is that should this situation prevail, we would presume it highly unlikely that the permit fee charges will be reduced.</p>	<p>Fees may go up or down dependent on the annual reviews to ensure scheme remains cost neutral.</p>

	<p>Highways own works has seen the largest growth in volume. On the assumption that your coordinators costs of managing your own permits are on a par with those same costs associated with managing utility applications then your proposed increases now only serve to have the utility sector subsidising those costs.</p>	<p>This is a reflection that not all Minor highway works were being recorded under noticing, rather than an actual increase in the number of works commissioned. Whilst this represents an increase in the workload for the team, the permit fees purely reflect the costs of the permit scheme in relation to the utility sector and no recovery is being made to cover or part cover the costs of the permit scheme for own works, in accordance with the regulations.</p>
	<p>Furthermore, as time goes on, we would anticipate improvements in processing of permit applications on the part of the utility sector should improve thereby reducing the time spent in assessment and coordination activity by BANES staff and hence lowering your operating costs.</p>	<p>Efficiency and improvements in processing permit applications cannot be expected as there is a fixed process to work through when processing each permit. Any inefficiency due to learning and staff development, dealing with staff turnover for example, is already borne by the Council. Additionally permits are unique and BANES ensure they reviewed on their own merit. It is also noted that coordination likely to become more complex in the future with expected central government initiatives.</p> <p>Reviewing and monitoring costs will happen as part of the annual reviews with further action taken in the future as required.</p>
	<p>You mention for example that some of your activity time is spent on managing permits on private streets. We would counter this by advising that as you are aware, legislatively, we are required to submit permits on private streets. We would presume there is little activity required on your part other than to just allow these permits to deem.</p>	<p>Private Streets are monitored as they can have a material effect on the highway network and cannot simply be ignored. Therefore, your assumption is not an accurate reflection of the work involved.</p>

	<p>BANES has traditionally been a very accommodating authority and it is recognised that your coordination activity is made trickier because of the environment in which you work. Your proposed increases in the Major and Standard works categories in particular does offer cause for concern in that works unable to be completed in the expected timescales applied for will significantly increase your income with delayed works.</p> <p>Your tables reflect an increased amount of road closure activity. Can we pre-suppose that road closure activity will increase further in the short-term generating greater income?</p> <p>Equally, you have made no mention of whether you will be undertaking a further review of which streets you may wish to classify as Traffic-sensitive. If such an exercise is undertaken, then the utilities permit costs will increase dramatically.</p> <p>If either of the areas mentioned above were to become a reality, then not only will permit fee generation to yourselves become much greater but the costs to the utilities of implementing those works through their TM providers will increase significantly.</p> <p>Remember that an increase in the volume of TS roads inevitably leads to more positive TM deployed at greater cost to the utility sector. All of this is on top of additional costs all utility companies have experienced during the changeover to permit schemes.</p>	<p>We would continue to encourage early communication with BNES to avoid unnecessary overruns and costs.</p> <p>We expect the number of road closures to be specific to the individual works and have no expectation on the number increasing or decreasing.</p> <p>Local Highway Authorities are required to continually review traffic sensitivity with an increase or decrease in the number of streets dependant on traffic flows. However, there are no immediate planned changes. Traffic sensitivity affects all promoters not just utilities, authorities are therefore acutely aware of their responsibilities.</p>
	<p>Our costs under your proposed changes will double – I daresay other utilities will find themselves in this same position. Ultimately this will lead to greater cost to customers which surely, we would wish to mitigate in what will prove a challenging period of austerity for many customers.</p>	<p>We appreciate that there will be knock on effects of this which are unfortunate, however we are required to ensure that the permit scheme does not run at a surplus or in this case a loss.</p>

	<p>Rather than punitively challenging out and its colleagues in the utility sector perhaps pressure could be applied to the DfT and central government to assist in mitigating your financial position. The DfT could for example make the sweeping decision to instruct the utilities that private road permits are no longer necessary.</p>	<p>The legislation is quite clear here and there is no room to manoeuvre. Your points made are a matter perhaps for SWUK to take to the DfT.</p>
	<p>In addition, speaking on behalf of our company we have experienced large increases in volumes of FPNs under permit schemes. I have always been uncertain of the resting place for these fines but on the assumption that income generation from penalties has increased across all sectors then surely there must be scope for this income to go directly to the local authority concerned.</p>	<p>FPNs have been provided in line with legislation and guidance.</p>
	<p>It is interesting to note that your data tables do not detail the comparative positions for the 2019-2020 year. A cynical view may be taken that using this data may conflict with some of the financial details you are looking to illustrate.</p>	<p>The data used for the initial CBA and implementation of the scheme was used and considered most relevant for this review.</p> <p>The conclusions drawn regarding the under-recovery of fees in the first year is valid irrespective of the number of permits submitted, as the Fees Matrix calculates a cost per permit granted.</p> <p>Any change in the volume of permits submitted will have implications on staff resource deployed.</p>
	<p>From our perspective your proposed increase in fees will show a likely doubling of costs to ball-park £50,000 per year. If additional costs are likely to be incurred if measures such as increased road closures or additions to your lists of TS streets are incorporated then increased fees together with associated TM costs would push this figure significantly higher. This seems an unreasonable lifting of costs to be met in such a short space of time.</p>	<p>Local Highway Authorities are required to continually review traffic sensitivity with an increase or decrease in the number of streets dependant on traffic flows. However, there are no immediate planned changes.</p>

	<p>In summary, the company has anticipated an increase in permit fees from the current levels however we do not feel your review has offered sufficient justification for the proposed levels you are indicating.</p>	<p>The review has been undertaken in line with government regulation and guidance and the outcomes are equally in line with that. Therefore, we consider the evidence to be more than adequate to prove the outcomes are sound.</p>
	<p>We feel there are imponderables, likely assumptions and insufficient evidence to make a well-informed decision on the justification for your proposed increases and suggest that any increase in fees be delayed until a further review has taken place after a suitable qualifying period now that normality has been restored to the utility sectors works.</p>	<p>Data suggests that the volumes have remained relatively consistent (noticing and permitting) regardless of the pandemic. If the volume of permit applications submitted increases, then the staff resource deployed will have to increase also, to keep pace with activities. In this scenario, the costs to the Council will increase in line with any increase in permit fees charged. The year 3 annual reports will identify if we are over recovering, and action taken accordingly as required.</p>
<p>Water Undertaker</p>	<p>After review it is believed that charges should have been looked at over a 3yr period from the commencement of the permit scheme. Looking at the dates provided in the review it appears that 2019/2020 were not taken into consideration. This would have contributed to the loss noted in year 1 (37%) with the effect from Covid. Going forward through 2022/2023 there will be more if not a considerable increase in permit fees for the next few years.</p>	<p>Given the scale of losses recorded in the first year, swift action was required to avoid further losses accruing, thereby avoiding a larger increase in fees at the end of year 3. Furthermore, data suggests that the volumes have remained relatively consistent (noticing and permitting) regardless of the pandemic. If the volume of permit applications submitted increases, then the staff resource deployed will have to increase also, to keep pace with activities. In this scenario, the costs to the Council will increase in line with any increase in permit fees charged. The year 3 annual reports will identify if we are over recovering, and action taken accordingly as required.</p>

	<p>When reading the review, it appears that when reviewing charges against neighbouring councils, the highest were considered.</p>	<p>The comparison with neighbouring authorities' fees is illustrative only to provide context and to highlight the charges are not unreasonable. The fee structure is calculated using BNES costs only and is not influenced by fees charged by neighbouring authorities. The new permit fees are reflective of the need to cover the initial loss and running of the scheme going forward.</p>
	<p>Increasing permit fees will cost some utilities many thousands of pounds extra monthly/annually as we have moved to Street Manger without an API, data from EXOR is more difficult to export. I can provide this data if requested.</p>	<p>We appreciate that there will be knock on effects of this which are unfortunate, however we are required to ensure that the permit scheme does not run at a surplus or in this case a loss.</p>
Gas undertaker	<p>Referring to the 2020/21 annual review undertaken by BNES; Covid19 has clearly had an impact on the volume of works undertaken (37% lower than forecast), noting that utility works have reduced but highway authority works have increased by almost 300%. On this basis, we believe it is currently unclear what permit income BNES will receive when utilities return to normal work levels and what the split of operating costs between highway authority and utility works will be. Therefore, it would seem reasonable to review operating costs and income following a review of year 2 workload rather than year 1.</p>	<p>Data suggests that the volumes have remained relatively consistent (noticing and permitting) regardless of the pandemic. If the volume of permit applications submitted increases, then the staff resource deployed will have to increase also, to keep pace with activities. In this scenario, the costs to the Council will increase in line with any increase in permit fees charged. The year 3 annual reports will identify if we are over recovering, and action taken accordingly as required.</p>
	<p>The current economic climate demands that we all operate efficiently and effectively, recognising that any additional permit costs will ultimately be passed through to consumers.</p>	<p>We appreciate that there will be knock on effects of this which are unfortunate, however we are required to ensure that the permit scheme does not run at a surplus or in this case a loss.</p>



	<p>It was also noted during the presentation delivered by BNES that reference was made to the recovery of some year 1 costs from central government which do not seem to have been taken into account in the proposed fee increases.</p>	<p>The central government grant was £102,509 in 2020/21 and £10,313 in 2021/22 specifically for permit fees. These grants have been factored into the new permit fees, reducing the amount of losses to be recovered</p>
	<p>We are also currently unclear as to whether there is any proposed changes to staffing levels based on the DfT assessment undertaken, although this would not appear necessary as the scheme outcomes have already been exceeded.</p>	<p>There are no proposed changes to staffing levels. As scheme progresses all elements of the scheme will be reviewed including staffing levels.</p>
Telecommunications Undertaker	<p>We feel that the originally CBA before the commencement of the Permit Scheme was not correctly calculated, was the DfT matrix used in this instance.</p>	<p>The DfT fees matrix was not used in implementation, but has been used as part of the permit fee change review</p>
	<p>Were the incorrect Permit Fees that were on the original Permit Scheme, considered, when the figures were looked at, as the Permit Fees were increased in Dec 2020? re the loss.</p>	<p>Yes this has been factored into the calculations. Unfortunately, the wrong fees were used to those consulted, the variation on December 1<sup>st</sup>, 2020 rectified that. The potential losses of the scheme were such that action had to be taken. The fee level has been set with consistency in mind and will give you some certainty over costs over a long period.</p>
	<p>BANES state that Permit Applications were 37% lower than CBA forecast in year 1, was this forecast correctly, was this due to Covid, no major works? Application of Permits moving forward should increase out of Covid sanctions.</p>	<p>Data suggests that the volumes have remained relatively consistent (noticing and permitting) regardless of the pandemic. If the volume of permit applications submitted increases, then the staff resource deployed will have to increase also, to keep pace with activities. In this scenario, the costs to the Council will increase in line with any increase in permit fees charged. The year 3 annual reports will identify if we are over recovering, and action taken accordingly as required.</p>

	<p>We would like to know why in the Permit Review 20/21 2018/19 Notice figures were used and not 2019/20 notice figures (Fig 1 page 6)</p>	<p>The data used for the initial CBA and implementation of the scheme was used and considered most relevant for this review.</p>
	<p>Could BANES share the Government Sales Fees and Charges Covid relief scheme that was applied for and received?</p>	<p>The central government grant was £102,509 in 2020/21 and £10,313 in 2021/22 specifically for permit fees. These grants have been factored into the new permit fees, reducing the amount of losses to be recovered for years 1 &amp; 2.</p>
	<p>We are concerned that the comparison between BANES and neighbouring Authority that was used and stated does not reflect the Highway Network of both Authorities as [neighbouring authority] have more rural roads and is much larger than BANES network of mostly urban roads.</p>	<p>The comparison with neighbouring authorities' fees was primarily to provide context and to highlight the proposed charges are not unreasonable. We agree that each authority is unique in this instance.</p>
	<p>Will the discounts continue to be applied for when several permits submitted forming part of a wider project and for collaborative working, continue at 30% as this was set at implementation of the original scheme?</p>	<p>This discounts and incentives offered within the scheme have not changed, therefore any discounts requested will be provided on the basis already stated.</p>
	<p>The proposed timeline on page 8 is incorrect, as it states Consultation fee changes – Nov 8th- Nov 26th? And implementation Jan 1st?</p>	<p>Noted, dates will be corrected. The updated and corrects date can be found in the BNES - Year 1 Permit Fee Review_Presentation.pdf.</p>
	<p>We would like to point out that budgets for the next year financial year are already set out in most cases and this will add extra burden onto costs as large increases on PAA, Major and Standard works.</p>	<p>We appreciate that there will be knock on effects of this which are unfortunate, however we are required to ensure that the permit scheme does not run at a surplus or in this case a loss.</p>
	<p>We acknowledge that the permit fee review has been conducted in line with the DfT fees matrix. It is understood that the permit authority should recognise that permit schemes are NOT intended to be an additional source of income for authorities, although some income may be generated incidentally however the permit authority should not expect any net proceeds to emerge from this permit scheme.</p>	<p>Noted. The increased charges reflect costs need to recover losses from year 1 and ensure that the scheme in the future no longer runs at a loss. The proposed charges also aim to ensure that the scheme does not run at a surplus.</p>

Electricity Undertaker	Our Response to BaNES Permit Fee Consultation. Thank you for allowing us the opportunity to comment. We acknowledge at the stakeholder engagement meeting on 11 January that the representatives from Bath & North East Somerset Council were open around the failings around setting of the permit fees to cover costs, and we appreciate this context explaining the predicament BANES need to resolve.	Noted
	In the original calculation of the permit fees for the consultation process the average fee level (across all categories, excluding variations) was £30 and this was amended prior to the scheme commencement Order was sealed to increase to an average of £39, or an average increase of 30% or an average of £9 per permit. Table 2 of the consultation indicates an increase to an average fee of £69 per permit, an increase of 77% or £30 per permit (based on the current fee average of £39). Table 3 of the consultation proposes an increase to an average fee of £80 per permit, an increase of 105% or £41 per permit (based on the current average of £39). In simple terms, the overall cost of permits for work carried out by us will double in BaNES. Variations are subject to a more significant cost increase, starting in the Order fees at £18 & £14, and increasing to £45 & £35 in Table 3. This is an increase of 150% or £27 & £21 per variation.	Noted
	We accept BaNES' admission that the original permit fees (both in the consultation and the current level) were incorrectly calculated and do not cover the cost, and that BaNES have taken steps to redress this to ensure the Authority is not making a loss. However, we are not reassured that efficiencies in process have been maximised and all costs have been scrutinised to confirm that they fall under those that are additional costs over and above the costs of running noticing, and for the utilities own works. What is not clear is whether the actual costs have been allocated to either HA works or utility works, or if the DfT matrix has been used to calculate a figure.	<p>The DfT Fees Matrix has been used to calculate the appropriate fee structure, using the input staff costs and overheads (see Table 2, page 6 of Permit Fee Review 2021 report).</p> <p>The Fees Matrix ensures that only the costs and staff resource required to process the additional tasks required under the permit scheme are accounted for in setting the permit fee charges.</p>

	<p>The overheads of £64,000 seems excessive, if this is just the allowable part of these costs rather than the total overheads, including an element for HA own works.</p>	<p>We are following the guidance set out by the DfT Fees Matrix for identifying allowable costs.</p> <p>The utilities share of the allowable overheads has been calculated at £40,759 of the £55,591 estimated for the first year and calculated pro rata on the number of permits granted (see Table 1, page 5 of Permit Fee Review 2021 report).</p> <p>A full review of actual allowable costs will be reported in the year 3 annual report, and if these costs have been over recovered, consideration will be given to adjusting the fee surcharge.</p>
	<p>The significant proposed increase in permit fees will not provide any additional improvements in the service provided for that fee. We are concerned that there will be no review of fees until April 2026, which could result in either a surplus or deficit for BaNES that may be significant. Generally, guidance has been that an Authority would wait for three years (after completing the required annual evaluation reports) before amending fees, and we understand why BaNES needs to act now the deficit has been identified.</p>	<p>Reviewing and monitoring costs will happen as part of the annual reviews with further action taken in the future as required.</p>
	<p>In summary we believe the increase to be disproportionately high and should be offset by demonstrable efficiency savings as well as clarity as to the costs used to account for the operating and allowable costs and therefore the deficit to be recovered.</p>	<p>Noted</p>
	<p>We have an obligation to ensure costs incurred whilst providing our customers with a safe and reliable electricity network are incurred efficiently and can be justified.</p>	<p>We appreciate that there will be knock on effects of this which are unfortunate, however we are required to ensure that the permit scheme does not run at a surplus or in this case a loss.</p>

Regional utilities group	We do not agree with an increase in permit fees so soon into your scheme and believe a review should be taken next year after 3 years. Whilst we agree you are not using the highest rates the initial CBA done (whilst agreeing your scheme) we believe was not conducted using the recommended DFT matrix at the time and we will now have to pay extra for our permits which will also increase connection costs to our customers.	The increased charges reflect costs need to recover losses from year 1 and ensure that the scheme in the future no longer runs at a loss. We used the industry standard (DfT) fees matrix to identify the required charges. We appreciate that there will be knock on effects of this which are unfortunate, however we are required to ensure that the permit scheme does not run at a surplus or in this case a loss.
	We also understand following the initial publication of your scheme the fees were actually reduced and had to be increased at the start. Following the 1st year review a deficit was identified and then the DFT matrix was used.	Unfortunately, the wrong fees were used to those consulted, the variation on December 1 <sup>st</sup> , 2020 rectified that.
	You refer to neighbouring permits fees being considerably higher than your proposed increases but you are only referring to those with the highest charge not the other neighbouring counties. No other counties have proposed fee increases to our knowledge.	The comparison with neighbouring authorities' fees was primarily to provide context and to highlight the proposed charges are not unreasonable. We agree that each authority is unique in this instance.
	We also believe requesting an increase in fees based on works during Covid (which we believe were approx 37% down on proposed) and have certainly increased over the past 12 months is unreasonable.	Data suggests that the volumes have remained relatively consistent (noticing and permitting) regardless of the pandemic. If the volume of permit applications submitted increases, then the staff resource deployed will have to increase also, to keep pace with activities. In this scenario, the costs to the Council will increase in line with any increase in permit fees charged. The year 3 annual reports will identify if we are over recovering, and action taken accordingly as required.
	Your staffing rates seem high and whilst we understand that you can reclaim the costs for staffing, we don't agree that our customers should be paying for your paid breaks and sickness costs as advised on page 5.	We are following the guidance set out by the DfT Fees Matrix for identifying allowable costs. The Matrix and CBA process follows the national guidance and therefore the resulting outputs meet all the requirements within regulation and guidance.

	<p>Furthermore, you advise that some of your activity time is spent on managing permits on private streets. This would only be applicable if the street had a USRN assigned to it but as there is no co-ordination activity (other than allowing the applications to deem) I don't believe any additional costs should be included in these calculations.</p>	<p>Private Streets are monitored as they can have a material effect on the highway network and cannot simply be ignored. Therefore, your assumption is not an accurate reflection of the work involved.</p>
	<p>Street Manager costs are borne by all and many have had a reduction in the 21/22 costs you don't say how much your Street Manager costs are and if you are also paying for an API.</p>	<p>We are following the guidance set out by the DfT Fees Matrix for identifying allowable costs.</p>
	<p>You state that the year 1 losses were recovered from The Government Relief Scheme so we would like to see how much that was and why you still require further income.</p>	<p>The central government grant was £102,509 in 2020/21 and £10,313 in 2021/22 specifically for permit fees. These grants have been factored into the new permit fees, reducing the amount of losses to be recovered for years 1 and 2.</p>
	<p>Increasing permit fees will cost some utilities many thousands of pounds in extra fees. It will also cost us in administration time to update our reports and change proposed budgets and brief staff costing for connections which will have already been set for this coming financial year.</p>	<p>We appreciate that there will be knock on effects of this which are unfortunate, however we are required to ensure that the permit scheme does not run at a surplus or in this case a loss.</p>
	<p>Your dates on the proposed timelines in your document are incorrect. Your scheme review document - this review is too long and complicated to identify real trends and supporting data</p>	<p>Noted, dates will be corrected. The updated and corrects date can be found in the BNES - Year 1 Permit Fee Review_Presentation.pdf. The review format and content follows DfT guidance and the industry requirements.</p>
	<p>It would have been prudent to do another full year's review in May 22 before proposing higher charges as since the initial lockdown in 2020 works have increased considerably and we believe we are back to pre-Covid or higher levels with increased connections and the broadband roll out. This means you will have more permit income to cover your proposed deficit.</p>	<p>Data suggests that the volumes have remained relatively consistent (noticing and permitting) regardless of the pandemic and the DfT fees matrix designed to be flexible with the number of works. The year 3 annual reports will identify if we are over recovering, and action taken accordingly as required.</p>

	<p>Why has data not been used for 2019 - 2020 in comparison to 2020- 21 and used data from 2018 - 2019 instead? Please provide an explanation for this, assume it's to show a lower level of HA works. Utility works have increased in 21 / 22 and the difference would be lower than shown.</p>	<p>The data used for the initial CBA and implementation of the scheme was used and considered most relevant for this review.</p> <p>The conclusions drawn regarding the under-recovery of fees in the first year is valid irrespective of the number of permits submitted, as the Fees Matrix calculates a cost per permit granted.</p> <p>Any change in the volume of permits submitted will have implications on staff resource deployed.</p>
	<p>Table 2 shows a marked difference in number of works which was due to Covid, we do not agree this will be the case moving forward and suggest that the deficit will not be as big as proposed.</p>	<p>Data suggests that the volumes have remained relatively consistent (noticing and permitting) regardless of the pandemic and the DfT fees matrix designed to be flexible with the number of works.</p> <p>The year 3 annual reports will identify if we are over recovering, and action taken accordingly as required.</p>
	<p>Each utility in your area will provide different data on their individual responses. To conclude transparency on data used in the review is required (why has 2019/2020 data not been used), the government relief claimed and how this is included in the operating costs , the loss in year 1 would have been due to Covid and you will have more if not a considerable increase in permit fees for the next few years.</p>	<p>The data used for the initial CBA and implementation of the scheme was used and considered most relevant.</p>
	<p>We do not agree that your forecasted loss is accurate and believe you should stall any proposed increase until after a year 2 review has been conducted.</p>	<p>The losses are such that this could not be left, the regulations are quite clear about the cost needing to balance and therefore action now was the only option.</p>
Rail Network Undertaker	<p>I accept the consultation proposal for the revised permit fees as outlined.</p>	<p>Noted</p>