Consultation – Increase of Lincolnshire Permit Scheme (LiPS) fees

Lincolnshire
COUNTY COUNCIL
Working for a better future

Contents

Report Title:	Lincolnshire County Council Consultation – Increase of Lincolnshire Permit Scheme (LiPS) fees
Date:	10 November 2025
Team Area:	Street Works and Permitting
Service Area:	Place – Highways Service
Author:	Ashley Behan Street Works and Permitting Manager Mandi Robinson Network Regulation Compliance Manager
Version:	V1

1. Introduction

The Lincolnshire Permit Scheme (LiPS), was established in 2016 was introduced to better manage and coordinate works on the highway within Lincolnshire. Permit schemes are now a Department for Transport statutory requirement nationally. The scheme requires works promoters planning to carry out work affecting the highway, such as a utility company, private developers or the Council's own Highway contractors to seek permission prior to starting work.

Permit fees associated with the LiPS scheme were established to cover the cost of the operating the service with the intension that the service remains cost neutral (with respect to utility works). Since 2016, the total fee income for utility works has closely met the cost to deliver the service with modest variances placed within a ringfenced reserve. Whilst this has worked well for a number of years, the cost to administer the scheme has started to outweigh the income received and the LiPS scheme is forecast to remain operating in a deficit unless permit fees are increased.

A legal variation order needs to be made to vary LiPS, this can be found in Appendix A.

2. Background

Since its introduction in October 2016, Lincolnshire County Council (LCC) has managed the Lincolnshire Permit Scheme (LiPS). The Department for Transport requires all Highway Authorities to have a permit scheme in place and, as such, this is a statutory function which LCC is legally required to undertake, under the Traffic Management Permit Scheme (England) Regulations 2007 and The Street and Road Works (Miscellaneous Amendments) (England) Regulations 2022.

Additional statutory guidance and conditions were also introduced in 2023 to improve:

- communication between highway authorities and utility companies
- the information available to road users
- the operation of permit schemes

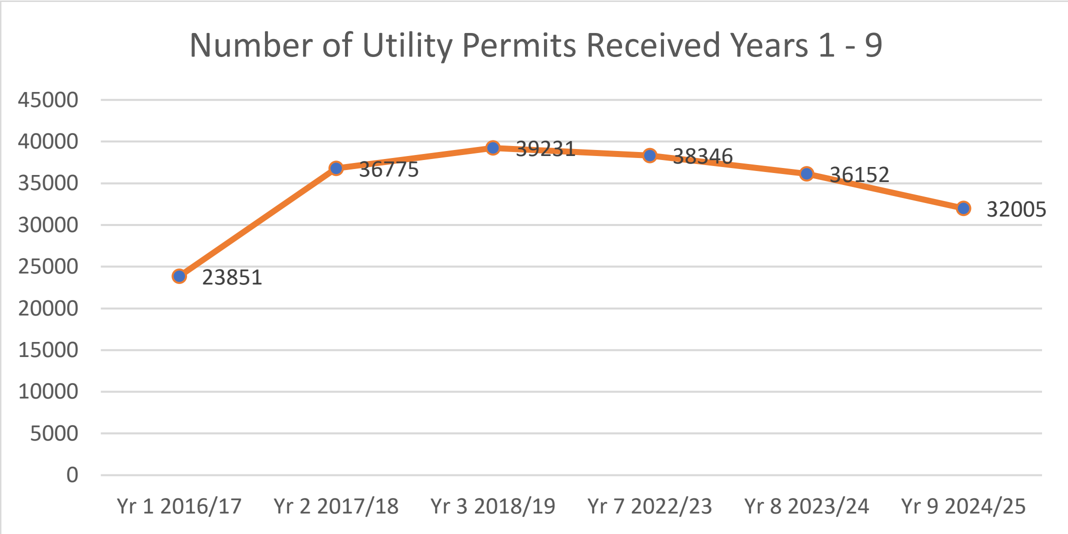
and introduce:

- ancillary information on adjacent streets
- changes to traffic management arrangements

Street works are essential for maintaining and upgrading utility infrastructure (e.g. water, gas, electricity, telecoms, etc). Poorly coordinated or prolonged street works cause significant disruption to traffic, local businesses, and residents. Permitting systems were introduced to manage these works more effectively through requiring utilities to pay highways authorities for a permit, allowing them to carry out works to their infrastructure placed in or on the highway and to encourage them to expediate the duration of these works. The original legislation, introduced in 2007, has not been subject to a fee review and LCC has not previously reviewed its fees. This is now required as the original fee rates no longer reflect the cost of scheme operation in relation to utility permits

It is important to note and recognise that street works contribute to a successful and developing society, along with the agenda for growth. Utilities have a legal right set out in the New Roads and Street Works Act (NRSWA) 1991 to install, maintain and replace apparatus in the highway. LCC adopts a collaborative approach with utility companies, through initiatives such as the Lincolnshire Street Works Charter, the only collaborative charter of its kind.

Since the introduction of LiPS in 2016, utility permit numbers initially increased steadily, peaking at 39,000 permits in 2018/19. Since then, utility permit levels have fluctuated and are currently below the mean average of 34,300 permits per year. The decline in the number of utility permits received annually, the inflation of cost to deliver the service, along with a 2023 formalisation of non-chargeable 'optional' permits for certain street works activities, has directly contributed to an increasing variance between the total fees income and the cost to administer the permitting scheme.



One of the key drivers for a street works permit scheme is to be financially self-sufficient. This is achieved by charging permit fees that are sufficient to cover the costs associated with managing the scheme, such as staff, administrative overhead and monitoring.

For the last two financial years LCC has drawn down from financial reserve and used revenue from wider street works activities to fund this. Increasing fees will not fully safeguard against all future deficit, although it is forecast to improve the sustainability of the scheme in the short term.

The below table sets out the operating costs of LiPS in relation to utility permits:

Financial Year	Income	Operating Costs	Cumulative Profit/Loss
Yr 1 2016/17	£1,273,810.00	£1,287,201.00	-£13,391.00
Yr 2 2017/18	£1,528,764.50	£1,548,600.00	-£19,835.50
Yr 3 2018/19	£1,613,513.50	£1,567,200.26	£46,313.24
Yr 7 2022/23	£1,969,773.00	£1,924,544.00	£45,229.00
Yr 8 2023/24	£1,747,137.70	£1,855,967.89	-£108,830.19
Yr 9 2024/25	£1,475,333.00	£1,989,835.72	-£514,502.72

The formalisation of optional permits in the 2023 code of practice for co-ordination had a significant financial impact for LCC and is evident in the above table. Optional permits are non-chargeable and can be made for works not involving excavation e.g. fibre cabling or sewer jetting. Prior to this, LCC found works promoters were requesting permits and paying for them in these scenarios.

In 2022/23, optional non-excavation permits brought revenue of £87,059.00. This is compared to 2023/24 and 2024/25 in the below tables, where the loss of revenue is identified.

2023/24 Non-excavation with no TM (excluding LCC)	Number	Total £
Total all	**2109**	
Immediate @ £26	349	£ 9,074.00
PAA @ £72	12	£ 864.00
Minor @ £43	1474	£ 63,382.00
Major @ £75	84	£ 6,300.00
Standard @ £75	190	£ 14,250.00
Loss of permit revenue based on current charges		**£ 93,870.00**

2024/25 Non-excavation with no TM (excluding LCC)	Number	Total £
Total all	**1938**	
Immediate @ £26	253	£ 6,578.00
PAA @ £72	47	£ 3,384.00
Minor @ £43	1404	£ 60,372.00
Major @ £75	33	£ 2,475.00
Standard @ £75	201	£ 15,075.00
Loss of permit revenue based on current charges		**£ 87,884.00**

LiPS fees have not been adjusted throughout the lifetime of the scheme, meaning their real value has eroded due to inflation. A revised fee structure will reflect current economic conditions and the complexity of modern street works. This pressure includes an inflationary rise from October 2016 to August 2025 of 38% (or 3.45% per annum) based on the Bank of England Inflation Calculator which reflects UK Consumer Price Index (CPI) data from the Office for National Statistics. In addition to this inflationary rise, LCC wage, pension and National Insurance has increased by 18% over this period.

The proposed increase will reduce the deficit at which LiPS is operating, however, it is understood the scheme itself may still operate at a loss.

3. Proposed permit fee increase

The Permit Scheme Regulations 2007 set a range of maximum fees which can be imposed. Increasing permit fees, in accordance with the table below, represents an 11% increase in overall fees charged which would result in an approximate additional income of £190,000 per annum based on typical and forecasted permit numbers.

The weighted average increase of 11% has been calculated by comparing the total of all proposed fees with the total of all current fees. This reflects the aggregate effect across all permit types.

Works Category	Current Fee (£)	Proposed Fee (£)	Increase (£)	Increase (%)
Provisional Advance Application (PAA) Cat 0-2 and all traffic sensitive streets	£101	£105	£4	4.00%
Provisional Advance Application (PAA) Cat 3-4	£72	£75	£3	4.20%
Major Activities Cat 0-2 and all traffic sensitive streets	£210	£240	£30	14.30%
Major Activities Cat 3-4	£130	£150	£20	15.40%
Standard Activities Cat 0-2 and all traffic sensitive streets	£117	£130	£13	11.10%
Standard Activities Cat 3-4	£75	£75	£0	0.00%
Minor Activities Cat 0-2 and all traffic sensitive streets	£64	£65	£1	1.60%
Minor Activities Cat 3-4	£43	£45	£2	4.70%
Immediate Activities Cat 0-2 and all traffic sensitive streets	£40	£60	£20	50.00%
Immediate Activities Cat 3-4	£26	£40	£14	53.80%
Permit Variation Cat 0-2 and all traffic sensitive streets	£45	£45	£0	0.00%
Permit Variation Cat 3-4	£35	£35	£0	0.00%

The proposed revised fee structure table is shown below:

Lincolnshire County Council		
Reinstatement category of street	Road Category 0-2 or Traffic-sensitive	Road Category 3-4 and non-traffic-sensitive
Provisional Advance Authorisation (PAA)	£105	£75
Major Activity greater than 10 days duration or requiring a TTRO	£240	£150
Major Activity between	£130	£75

4 & 10 day duration		
Major Activity up to 3 day duration	£65	£45
Standard activity	£130	£75
Minor Activity	£65	£45
Immediate activity	£60	£40
Permit Variation	£45	£35

4. Conclusion

Permit fees associated with the LiPS scheme were established to cover the cost of the Council staff that administer the service with the intension that the service remains cost neutral. Since 2016, the total fee income has closely met the cost to deliver the service with modest variances placed on the LiPS ringfenced reserve. Whilst this has worked well for a number of years, the cost to administer the scheme has started to outweigh the income received and the LiPS scheme is forecast to remain in this position unless permit fees are lifted.

The formalisation of optional permits in 2023 and the ongoing and increasing inflationary pressure on the cost to deliver the service, increased to the LiPS fees are proposed as outlined within section two of this report.

In order to implement the proposed fee adjustments, Regulation 3 of the Permit Statutory Guidance (July 2022), LCC is now consulting on this proposal prior to implementation. Taking this step will ensure that the LiPS scheme can continue to promote efficiency, accountability and sustainable management of public highways by ensuring an appropriate cost recovery model.

The LiPS fee increase proposal is an LCC key decision. A key decision report was heard at the Highways and Transport Scrutiny Committee on Monday 20th October 2025 and a statement of unanimous support of the increase made to the Executive Councillor for Highways and Transport. A key decision to proceed with a consultation, consider its outcome and proceed with the fee increase was made by Cllr Michael Cheyne on 31st October 2025.

Subject to the consultation responses, it is intended the variation order and LiPS fee increase will take effect from 5th January 2026.

5. Future review

LCC has completed, published and shared LiPS evaluation reports within required timeframes and these remain published on LCC's website.

In accordance with the regulations, LCC will re-review the increase in the future should the schemes financial performance change.

6. Consultation

As per Regulation 3(1), consultation should include:

(a) every person who carries out works in the proposed specified area from time to time, to the extent the Permit Authority is aware of them doing so;
(b) every local authority other than the Permit Authority in whose area is situated any street to which the proposed permit scheme relates;
(c) where any street to which the proposed permit scheme relates is in Greater London, Transport for London (not applicable);
(d) where any street to which the proposed permit scheme relates is in the passenger transport area of a Passenger Transport Executive, the relevant Passenger Transport Executive;
(e) the emergency services which operate in the proposed specified area;
(f) the Secretary of State;
and such other persons as the Permit Authority considers appropriate – the Council deems it appropriate to consult with all LCC Council elected members and members of the public via Let's Talk Lincolnshire

A 30 day consultation period will take place starting on **Tuesday 10th November 2025**. Feedback and enquiries can be raised with Lincolnshire County Council, and these will be given careful consideration and a response provided.

The response questions can be found in Appendix B of this document or via the below link.

Feedback or enquiries can be made via Lets Talk Lincolnshire or can be sent by email to: PermitConsultation@lincolnshire.gov.uk

Alternatively, please post to:

Mandi Robinson
Network Regulation Compliance Manager
Lincolnshire County Council
Lancaster House
36 Orchard Street
Lincoln, LN1 1XX

Please note that any feedback must be raised within 30 days of publication of this consultation document. Any comments outside of this period may not be considered.

7. Appendices

Appendix A – Variation Order

Appendix B – Consultation Questions