

Newcastle City Council

Road Activities Permit Scheme For Road Works and Street Works

In accordance with the Traffic Management Act 2004

Cost Benefit Analysis Executive Summary

2 August 2019

Executive Summary

To calculate the benefits of the permit scheme, Newcastle City Council has utilised the financial matrices spreadsheets provided by the Department for Transport (DfT). Noticing data from 2017/2018 has been used to calculate an estimate of the additional number of staff required to administer the scheme, the associated running costs and to help set the permit fees to be charged.

Operational Summary

- Permit Scheme annual operating cost: £756,346
- Permit Scheme annual revenue: £480,994
- Number of additional personnel required: 3 full time equivalents
- Number currently employed solely on reviewing noticing: 1.25 full time equivalents

The outcomes of the financial matrices spreadsheets show that the operating costs for the scheme in the first year will be £756,346. The difference between the operating cost and income receive is the cost for administering internal Local Authority permits, the cost of which the Council is responsible for. The scheme will be subject to review at the end of each of the first three years, and every three years thereafter, with any surplus remedied by a reduction in fees.

With regards to staffing, the number of staff currently employed solely on reviewing noticing is 1.25 full time equivalents. The matrices should that the additional number of personnel required for permit related activities is 3 full time equivalents.

Noticing Data

An assessment of the noticing data from 2017/2018 showed:

- 10,663 works per annum
- 114,120 working days per annum
- 80 % of works require some form of traffic control
- Average works duration: 11 days

Using the noticing data and the trends identified in the DfT commissioned 2018 Ecory's study, it is suggested that Northumberland could reduce the number of work days on the network as below:

Total current number of work days	114,120
Expect number of work days due to permit scheme	110,501
Expect change in work days	-3619

Benefits

The noticing data has been used in conjunction with the national QUADRO congestion impact analysis to predict the following improvements:

Type	Benefits from decrease in Congestion costs
Business	
Journey Time Savings & reliability	£1,761,792
Non-Business	
Journey Time Savings & reliability	£1,547,785
Accident	£30,702
Fuel Carbon	£167,318
TOTALS	£3,507,597

Newcastle City Council is keen to use the scheme to incentivise the works promoters to reduce durations and the number of works in the short and longer term.

Cost Benefit Analysis

The objective of the Cost Benefit Analysis was to consider all of the potential costs and benefits in order to establish if there is a sound financial basis for introducing a cost neutral permit scheme in Newcastle.

The analysis has been carried out for the 2018 base year and a design year of 10 years.

- Assumed saving in annual cost of works: 5%
- First year scheme operational cost: £756,346
- Scheme operational costs increase at 2% year on year

Assumption	5%
Net Present Benefits	£3,988,590
Net Present Costs	£1,495,210
Net Present Value	£2,493,380
Benefit to Cost Ratio	2.66

The objective of this cost benefit analysis was to present the anticipated cost to benefit ratio and net present value for introducing a permit scheme on the Newcastle Network.

Using the trends identified by the 2018 Ecory's national study, previous noticing data suggests that the scheme will save approximately 3,619 working days disruption in the year following the implementation of the scheme. The national QUADRO modelling shows that this reduction will result in societal benefits of £3.5M. The cost benefit does not include any of the benefits that can't be easily identified in analyses

such as asset protection, better co-ordination, and pedestrian delays. The benefit to cost ratio table shows the BCR is 2.66 demonstrating the overall feasibility of the scheme.

For consultation