

**Southampton City Council
Permit Scheme For
Road Works and Street Works**

July 2014

Appendix 1

Additional Information

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1 Introduction and Design of the Permit Scheme

The Southampton Permit Scheme for Road Works and Street Works is based on Part 3 of the TMA and the Traffic Management Permit Schemes (England) Regulations 2007, (the Regulations).

Part 3 of the Traffic Management Act 2004, (TMA), introduced permit schemes as a new way in which activities in the public highway could be managed to improve authorities' abilities to minimise disruption from street and road works.

Permit schemes provide an alternative to the notification system of the New Roads and Street Works Act 1991, (NRSWA), whereby instead of informing a street authority about its intention to carry out works in its area, a statutory undertaker would have to apply and obtain a permit from the permit authority.

Under a permit scheme, activities carried out by the street authority, its partners or agents would be treated in exactly the same way as a statutory undertaker. A street authority may choose to implement a permit scheme on all or some of the roads under its control.

After consideration of the local needs and discussion with internal stakeholders, operational partners, consultants and neighboring Highway Authorities, Southampton City Council has decided that the most appropriate scheme for Southampton is one that will operate on all streets.

A discussion was held with Brighton & Hove City who had already embarked on developing a Permit Scheme due to similar findings and a decision was made to use their scheme document as the core of the Southampton Permit Scheme. This was discussed with the local Utilities and received a positive response.

The Southampton Permit Scheme has been designed to assist the Council to manage the existing local road network for the benefit of all road users. The permit scheme will support existing activities and priorities of the Council and will provide a positive benefit. The scheme will also encourage the undertakers, including those working for and on behalf of the highway authority to work in collaboration.

The permit scheme will be operationally and proactively focused on Strategically Significant Streets and to further the overall cultural shift to better management of the network. However, coordination of all activities on all streets will be undertaken to deliver effective and proactive management of the entire network and give consideration to the needs of all highway users and stakeholders such as local community bus operators.

Lower fees will be charged for activities on non-traffic sensitive streets and category 3 and 4 roads.

Discounted fees will also be given in the following circumstances:

- Where several Permit applications for works that are of part of the same project but which are carried out on more than one street, but on a scale comparative to one street, are submitted at the same time.
- Where several Promoters are working within the same site submit applications at the same time. Where the Highway Authority Promoter is collaborating with Statutory Undertakers, those Undertakers will be eligible for the discount.
- Where works are undertaken wholly outside of traffic sensitive times on Traffic Sensitive Streets.
- A discount may be applied where it is demonstrated that an activity provides significant economic benefit to the local authority or Council. For instance supplies for a new development, or where it is demonstrated that a network investment programme is being undertaken to meet customer demand.

The improvements in the planning processes will benefit the operational

management of the road network and undertakers needing to carry out works.

2 Initial Outline Appraisal

The dominant benefit of all Permit Schemes is expected to be the reduction in unnecessary delays for road users. The dominant cost will be the cost of the additional staffing and facilities necessary for implementation of a Permit Scheme.

An outline appraisal was undertaken to estimate the reduction in road user delay that would be achieved through implementing a Permit scheme Southampton's road network.

In July 2004, Halcrow produced a report for the DfT on the impact of road works. The results estimate an overall cost of disruption caused by Utility works in England in 2002/03 at £4.36 billion.

Using the DfT sanctioned report, it is possible to get an idea for the likely implication of the Southampton Permit Scheme either using a 'top down' approach from the overall saving or a 'bottom up' calculation based upon the implied rate per road works.

From a top down perspective, with an estimated 1.60% of utility road works occurring in Southampton and a 5% reduction in road works associated with the Permit Scheme, it may be expected to produce annual societal savings of £3.49m in 2002 prices, (£5.83 million in 2010 prices).

However, working up from the actual number of Noticed Works in Southampton and using the 'rule of thumb' estimate from the DfT report of £600 per works per day and an average 6 days, the projected annual savings would be £3.44m in 2002 prices (£5.74 million in 2010 prices).

The figures above give an estimate of the upper and lower expectations from the Southampton Permit Scheme of between £5.74m and £5.83m in 2010 prices. As the two methods are within 5% this is considered a reliable estimate of the positive impact of introducing a Permit Scheme in Southampton.

3 The Objectives of the Permit Scheme

The Permit Scheme has been developed to reflect the strategic transport aims for Southampton City Council, as set out within the Local Transport Plan.

The main objective of the Permit Scheme is to delivering collaboration to ensure optimised capacity of the highway network and reliable access to City destinations.

The objectives and benefits of the Southampton Permit Scheme are:

- Reduced disruption on the road network
- Improvements to overall network management
- A reduction in delays to the travelling public
- A reduction in costs to businesses caused by delays
- Promotion of a safer environment
- Reduced carbon emissions

The Permit Scheme objectives will be facilitated by improving performance in line with the Authorities' Network Management Duty in relation to the following key factors:

- Enhanced coordination and cooperation
- Encouragement of partnership working between the Permit Authority, all Promoters and key stakeholders
- Provision of more accurate and timely information to be communicated between all stakeholders including members of the public
- Promotion and encouragement of collaborative working

- Improvement in timing and duration of activities particularly in relation to the busiest streets within the network
- Promotion of dialogue with regard to the way activities are to be carried out
- Enhanced programming of activities and better forward planning by all Promoters

4 Cost Benefit Analysis

Southampton City Council is a major investor of public resources and as such, should ensure that new developments make a positive contribution to the local economy and society.

A detailed and comprehensive Cost Benefit Analysis of the proposed Permit Scheme was undertaken.

The Cost Benefit Analysis determined the following key impacts of the Southampton Permit Scheme:

- The total number of works impacted by the scheme amounted to 19,089 of various length and duration.
- The annual delay cost for Utility works undertaken in Southampton was £82.5m including a 20% uplift in time reliability costs for urban roads.
- The number of permits including an allowance of 20% for phased works and reduction factor of 5% amounted to 22,325.
- The permit scheme benefit at 5% is £123.8m with costs of £23.7m and a Net Present Value (NPV) of £100m giving a Benefit:Cost Ratio of 5.21:1

The central assumption of the analysis is that the introduction of the Permit Scheme will cause a 5% fall in Permit applications, and have a commensurate effect on roadwork activity and all associated aspects of the analysis.

The key general economic assumptions included with the CBA are as follows:

- The scheme is anticipated to open in 2015.
- A 25 year appraisal length is assumed in accordance with DfT guidance.
- A Discount Rate of 3.5%, Combined Risk and Optimism Bias Factor 38% in accordance with DfT guidance

The costs associated with the scheme include the following capital, operating and revenue expenditure in 2010 prices in accordance with the Department for Transport's WebTAG.

- Total Capital Expenditure £107,600
- Year 1 Operating Expenditure £1,075,208
- Annual Operating Expenditure (After Year 1) £1,060,447
- Year 1 Revenue Expenditure £1,175,840
- Annual Revenue Expenditure (After Year 1) £1,173,332

Southampton City Council will incur the capital and operating expenditure with the capital cost for the first year only.

Revenue is the permit fees charged to Utility companies. The capital and operating expenditure are offset by the revenue from the permit fee with full capital costs recovered at Year 3.

Allowable costs are limited to the proportion of direct costs and overheads attributable to operating the scheme for undertakers and the element of those costs that are over and above the cost of the Authority's coordination duty under NRSWA.

5 Consultation

The formal consultation regarding the proposed Southampton Permit Scheme (SPS) ran for a period of eight (8) weeks beginning on the 17th April 2014. The deadline for receipt of responses was no later than 5pm on 12th June 2014.

A total of 344 individual comments on the proposed Permit Scheme were received by the deadline.

Meetings with Utility companies to discuss the scheme prior to and during consultation were held on the 30th April 2014 and 10th June 2014

Southampton City Council is committed providing all activity promoters operating within the permit area, and all those consulted on the proposed scheme, with the details of post consultation changes before the scheme goes live

6 Scheme Monitoring and Evaluation of the Permit Scheme

The scheme will be monitored using the KPIs set out in Section 22 but it is intended that additional measures will be developed in agreement with work promoters to monitor specific aspects of works performance and the operation of the scheme.

The Southampton City Council Permit Scheme will ensure that all activity promoters are treated equally.

Southampton City Council will also adopt any nationally agreed KPIs and or Score Cards developed and approved by HAUC (England).

We recognize that this monitoring may be subject to change and may develop over time. Any future changes to the monitoring ratified through HAUC (England) formal approval process will automatically be incorporated into this scheme.

The intention is that the monitoring will be relevant, meaningful and beneficial to all parties and help with future development of the scheme.

The Permit Authority will establish a group to discuss and plan the implementation of the scheme. It is intended that this group will continue to work together in the future develop the detailed processes for monitoring, reporting and evaluation.

In addition to monitoring of KPIs fees and costs should be matched over a financial year. However, it is recognized that estimating the fee levels will involve incorporating the effect of various factors that will inevitably have a degree of uncertainty around them. The Cost Benefit Analysis has been developed with this in mind so financial risks are managed appropriately.

In the event that fees and costs do not match the actual outturn for the year in question, adjustments may be made to fee levels for the subsequent years so that across a number of years fees do not exceed the allowable costs.

Mandatory and supplementary indicators have been selected from the statutory guidance and the Code of Practice.

The performance data will be published and will be available to all works undertakers and to any interested party.

Southampton City Council, as the Permit Authority, intends to work with work promoters to develop additional indicators. To do this the Southampton City Council will need to retain the flexibility to develop further KPIs as experience of operating the scheme is acquired. For this reason, only the mandatory KPIs are included within the body of the Permit Scheme document. To include other KPIs would prevent amendments once the Statutory Instrument had been made other than by making an application to the Secretary of State for a scheme variation or revocation.

7 Proposed Implementation Date

It is proposed to implement the Permit Scheme in mid-March 2015.

8 Transitional Arrangements

Southampton City Council will liaise closely with all promoters before and during the transition period.

Southampton City Council will advise all statutory undertakers and other works promoters; and all of the consultees as and when a formal decision has been made and provide the nominated start date (no less than 10 working weeks from the date of the response).

Further notification, following the Statutory Instrument giving effect to the Permit Scheme, will confirm the start of the minimum four week period and will confirm the start date of the Permit Scheme.

Any specified activity that is planned to start after the commencement date stated in the Statutory Instrument will be required to comply with the appropriate administrative processes defined in the Permit Scheme.

9 Compliance with EToN

The Southampton Permit Scheme is fully compliant with the Technical Specification for the Electronic Transfer of Notices, (EToN).

The IT System set-up to receive applications and issue PAAs and Permits will be subject to testing between the Permit Authority and the statutory undertakers so as to ensure that when the Permit Scheme is implemented systems will function correctly.

10 Conditions

Southampton City Council will adopt solely the nationally agreed conditions text developed and approved by HAUC (England) as our standard conditions, including referencing. We recognise that these conditions may be subject to change and may develop over time. Any future changes to the conditions text ratified through HAUC (England) formal approval process will automatically be incorporated into this scheme. Any changes will have been consulted on and agreed by the sector and we will not undertake further consultation on those agreed changes, but will inform stakeholders of their implementation date for use within our permit scheme.

11 Traffic Sensitivity

Southampton City Council will offer lower fees, or a discount to scheme standard fees, applied to all works taking place on traffic-sensitive streets where those works take place wholly outside of traffic sensitive times.

This will encourage Utility Companies to work on the Authority's road network outside of the traffic sensitive times thus promoting behaviours in line with the authority's transport objectives.

12 Major Works

The category of 'major works' is split into three by duration so that the fee reflects the duration of the Major works.

13 Nationally Significant Infrastructure Projects

Southampton City Council recognizes the local economic benefits of nationally significant infrastructure projects, including the improved timing, co-ordination and delivery of works for the roll out of the Superfast Broadband project and other significant projects in the region. We are committed to ensuring that the commencement of the Southampton Permit Scheme will not have a detrimental impact on the implementation of any such projects within, or adjacent to, the Permit Scheme area.