

Report for: ACTION



<b>Contains Confidential or Exempt Information</b>	No
<b>Title</b>	Road and Streetworks Permit Scheme
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<b>Member reporting</b>	Cllr Bicknell, Lead Member for Highways & Transport
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	29 September 2016
<b>Implementation Date if Not Called In</b>	28 November 2016
<b>Affected Wards</b>	All
<b>Key Words</b>	Streetworks; permit; roads; utility companies

## REPORT SUMMARY

This report is designed to give the Council more powers to manage utilities damaging and disrupting our highway network.

Residents will benefit from less disruption as roadworks should be completed on time, faster and at the least disruptive times of day with high quality first time permanent reinstatements.

1. Cabinet received a report on 31<sup>st</sup> March 2016 and resolved to approve in principle the development of a Streetworks Permit scheme; undertake consultation and report the outcome to Cabinet in September 2016.
2. This report provides an update on the introduction of a Road and Streetworks Permit Scheme which supports the manifesto commitment '*...Work with utility companies to improve the quality of road and pavement repairs...*' and highlights the outcome of the consultation.
3. The report seeks approval to 'Go Live' with the permit scheme by the 28 November 2016 delivering an improved service for residents.
4. The financial implications of this report are:
  - Capital investment of £120k for scheme development; consultation and implementation costs.
  - Development and implementation costs are recoverable through permit fees

to be charged following implementation.

- The net position of annual operating costs and income deliver a positive position.

<b>If recommendations are adopted, how will residents benefit?</b>	
Benefits to residents and reasons why they will benefit.	Dates by which they can expect to notice a difference.
Residents will benefit from improved journey times, reduced congestion, more opportunity to comment on works, improved information and improved condition of the road infrastructure.	28 November 2016.

## **1. DETAILS OF RECOMMENDATIONS**

### **RECOMMENDED: That Cabinet:**

- (i) Notes the outcome of the consultation.**
- (ii) Approves commencement of the Roads and Streetworks Permit scheme.**

## **2. REASON FOR DECISION AND OPTIONS CONSIDERED**

2.1 Cabinet considered a report on 31<sup>st</sup> March 2016 and resolved to:

*i) Approve in principle the development of a Roads and Streetworks Permit scheme and endorse the approach being taken.*

*ii) Approve commencement of the consultation process with utility companies and other stakeholders.*

*iii) Approve a budget of £120,000 to be met from the Development Fund in 2016/17 for scheme development; consultation and implementation.*

*iv) Receive a report in September 2016 to consider the outcome of the consultation.*

2.2 The formal consultation ran for a period of eight weeks beginning on the 17th June 2016 with a deadline for responses no later than 12th August 2016.

The draft Scheme Document and accompanying covering letter was issued to 125 key stakeholder organisations, including local neighbouring Highway Authorities, Utilities, road user representative groups, suppliers and non-government organisations.

A total of 176 individual comments were received by the deadline.

2.3 Each response has been reviewed and responded to in the consultation report which is published on the Royal Boroughs website as Appendix A. The consultation feedback is helpful and ensures that the scheme has been rigorously reviewed in line with best practice.

There are no fundamental issues arising from the consultation. Therefore, it is recommended that the permit scheme be implemented by 28 November 2016.

- 2.4 In parallel with the consultation a full business case / cost-benefit analysis has been prepared.

A summary is attached as Appendix B.

In summary, the permit scheme offers a societal benefit to cost ratio of 25.58:1.

- 2.5 The permit scheme will give the Council more powers to manage utilities. Residents will benefit from less disruption as roadworks should be completed more quickly; at the least disruptive times with high quality first time permanent reinstatements.

- 2.6 In light of the resident benefits and the following key factors, it is recommended that the permit scheme be introduced by 28 November 2016:

- \* Cabinet approved the principle of the permit scheme on 31<sup>st</sup> March 2016
- \* the consultation has not identified any major issues
- \* the scheme delivers a very positive benefit to cost ratio

## Options

Option	Comments
(a) implement a road and streetworks permit scheme by 28 November 2016	(a) This option is <b>recommended</b> . A permit scheme would increase the Council's ability to coordinate and control activities on the highway therefore minimising the congestion and improving the condition of road infrastructure and give us more powers to fine utility companies that break the rules
(b) continue the existing approach based on a notice system under the New Roads and Streetworks Act	(b) This option is not recommended. The current situation would remain and opportunities to improve control and co-ordination of works benefitting residents, business and visitors would not be realised
(c) Create a shared service to deliver a permit scheme.	(c) This option is not recommended at this time  It is recommended that this option be explored post-implementation to further enhance the business case and align with the Royal Boroughs Delivering Differently programme
(d) Outsource or create a Royal Borough trading company to deliver a managed service.	(d) This option is not recommended at this time  It is recommended that this option be explored post-implementation to further enhance the business case and align with the Royal Boroughs Delivering Differently programme

### 3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be deliver by
Implement Road and Streetworks Permit scheme by:	Not achieved	30 November 2016	14 November 2016	1 November 2016	30 November 2016
Over-running road works reduced*	< 5%	5-10%	11-20%	> 20%	30 November 2017
Complaints relating to the quality of utility company repairs reduced*	< 5%	5-10%	11-20%	> 20%	30 November 2017

\* BASELINE TO BE ESTABLISHED

### 4. FINANCIAL DETAILS

#### 4.1 Revenue Funding

The table below sets out the revenue funding implications for the period 2016/17 to 2018/19. The 'Additions' relate to scheme costs and 'Income' relates to projected income attracted

	2016/17*	2017/18	2018/19
	£'000	£'000	£'000
Addition**	153*	460	454
Income**	156*	468	467

\*Figures for 2016/17 as based on a part year effect, commencing 1<sup>st</sup> December 2016

\*\*these figures relate wholly to the operation of the permit scheme not approved budgets

#### 4.2 Capital Funding

	2016/17	2017/18	2018/19
	Capital £'000	Capital £'000	Capital £'000
Addition	£0	£0	£0
Reduction	£0	£0	£0

4.3 On 31<sup>st</sup> March 2016, Cabinet approved funding of £120k from the development fund for scheme development; consultation and implementation.

£105k costs have been committed to date for the following elements:

- Consultancy support (developing business case; document preparation; analysis and response to consultation) £50k

- ICT System (upgrade and new module for CONFIRM system) £40k
- Staff training (permit scheme requirements and new ICT system) £20k
- Recruitment £5k

It is projected that the scheme will be delivered within the approved budget.

#### 4.4 Summary business case (Appendix B) identifies:

- Year 1 Operating Expenditure £459,956  
(based on Employee costs of £278,358 (3.57 FTE's) and operational costs of £181,898 (for example ICT systems))
- Year 1 Revenue £468,096

This highlights an over recovery of £8,140 in year 1

## 5. LEGAL

5.1 Part 3 of the Traffic Management Act 2004 (TMA) and associated regulations (2007) as amended allow a highway authority to introduce a permit scheme to deliver their duty to co-ordinate works of all kinds on the highway including temporary occupation and use of the highway by all Promoters e.g. utility companies.

## 6. VALUE FOR MONEY

6.1 Efficient movement on the Boroughs road network is essential for creating a successful local economy. As the scheme is projected to be cost neutral it optimises value for money by delivering financial and non financial benefits to residents, businesses and visitors to the Borough.

## 7. SUSTAINABILITY IMPACT APPRAISAL

7.1 A permit scheme will reduce the levels of congestion and will support and promote sustainable transport and integrate with air quality policies.

## 8. RISK MANAGEMENT

<b>Risk</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
Financial projections embedded in the full business case with respect to income / expenditure are not achieved	High	Use of specialist consultants and sufficient internal scrutiny arrangements in place via use of corporate project management tools.	Low
<b>Risk</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>

Failure to comply with the legislative requirements delays or prohibits scheme implementation, thereby benefits not realised	Medium	Use of specialist consultants and sufficient internal scrutiny arrangements in place via use of corporate project management tools.	Low
Utility companies will be required to comply with the scheme may challenge the validity of the scheme if it has not been extensively assessed and shown to be compliant.	High	Statutory consultation with stakeholders - complete	Low
System requirements not in place to enable delivery of permit scheme	High	Project team established with specialist ICT resource	Low

## 9. LINKS TO STRATEGIC OBJECTIVES

9.1 The council's corporate strategy seeks to improve the environment, economy and transport within its focus on putting residents first.

9.2 Successfully delivering highway schemes and improving resident satisfaction in our road network are key ambitions within the strategy and the new permit scheme will better co-ordinate works, reduce levels of congestion and ensure that quality of the repairs are satisfactory supporting the council to deliver against these ambitions for residents.

9.3 Improved control over when, where and how road works are undertaken by utilities companies enables the council to better consider the implications for residents on non-urgent works, further supporting the council's strategic ambition to deliver improved customer services and outcomes for residents through the use of existing and emerging technology.

## 10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

10.1 An improved highway network benefits all road users.

## 11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS:

11.1 Operation of the Roadworks & Streetworks Permit scheme is projected to require 3.57 FTE's consisting of Street Works Officers; Street Works Co-ordinators and Traffic Managers.

11.2 Implementation in November 2016 is projected to be resourced primarily from existing staff. However, recruitment of an additional streetworks officer on a fixed term contract until 31<sup>st</sup> March 2016 will be required to ensure that the

Royal Borough delivers the legal obligations required to operate the permit scheme.

11.3 During the period between 28<sup>th</sup> November 2016 and 31<sup>st</sup> March 2017 resource levels will be reviewed and evaluated to ensure that they align with the outcomes of the Delivering Differently programme in Highways.

## 12. PROPERTY AND ASSETS

12.1 The approach set out within this report seeks to improve the Highway Network and maintain the highway asset in accordance with good practice.

## 13. ANY OTHER IMPLICATIONS: N/A

## 14. CONSULTATION

14.1 The report will be considered at the Highways, Transport & Environment Overview & Scrutiny Panel meeting on 19 September 2016 with comments reported to Cabinet for consideration.

## 15. TIMETABLE FOR IMPLEMENTATION

Jan 2015 (Complete)	Permit Scheme Project commencement including engaging services of specialist consultants.
Jan to March 2016 (Complete))	Develop draft scheme for consultation
Jan to June 2016 (Complete))	Business case
24 March 2016 (Complete)	Cabinet report
April to May 2016 (Complete)	Engagement with Statutory Undertakers and other interested parties
June to August 2016 (Complete)	Commence formal consultation (8 week duration)
August 2016 (Complete)	Review consultee comments and prepare report including any modifications to permit scheme documents
September 2016	Cabinet report
October 2016	Formal notification to consultees that permit order has been issued (Subject to Cabinet approval)
<b>28 November 2016</b>	<b>Permit scheme goes live</b>

## 16. APPENDICES

Appendix A – Consultation Report (available electronically)

## 17. BACKGROUND INFORMATION

17.1 The primary objective of the permit scheme is to improve the strategic and operational management of the highway network through better planning, scheduling and management of activities (roads and streetworks) to minimise disruption to any road user and to improve the quality of repairs undertaken by utility companies, including first time permanent reinstatements.

17.2 Key scheme objectives and benefits:

- reduced disruption on the road network
- improvements to overall network management
- reduction in delays to the travelling public
- reduction in costs to businesses caused by delays
- creating a safer environment
- reduced carbon emissions
- focus on first time permanent reinstatements
- coordinate utility works on our highway network

17.3 Scheme objectives will be delivered by improving performance in the following areas:

- enhanced coordination and cooperation
- encouragement of partnership working between the Royal Borough, scheme promoters and key stakeholders.
- provision of more accurate and timely information to be communicated between all stakeholders including residents, visitors and businesses
- 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 works promoters
- give us more powers to fine utility companies that break the rules

Additionally, financial penalties may be imposed for works promoters who do not complete works on time; for working without a permit or who breach the conditions of a permit (for example: working at peak times on main routes).

17.4 With respect to improving the road and pavement reinstatements, the current system allows works promoters to undertake a temporary reinstatement and to return within a maximum period of 2 years to undertake a permanent and high quality reinstatement. The proposed permit scheme will focus on encouraging utilities to undertake first time permanent reinstatements.

17.5 A series of statements for information are set out below:

- A permit scheme allows the Council, as a Permit Authority, to charge Statutory Undertakers (utility companies) a fee for processing a permit application or permit-variation



- A permit scheme cannot be used to generate surplus income but will be self-funding, including the recovery of reasonable overheads Maximum charges are set by statute (charges are set out in Appendix C)
- It is anticipated that RBWM would process approximately 7,000 utility permits each year

## 18. Consultation (Mandatory)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
<b>Internal</b>				
Cllr Bicknell	Lead Member for Highways & Transport	31/08/16	01/09/16	Minor amends and clarification of start-up costs
Alison Alexander	Managing Director & Strategic Director of Adult, Children and Health Services	09/09/16	10/09/16	Amendments to narrative and formatting
Simon Fletcher	Strategic Director of Operations	28/08/16	30/08/16	Detailed business case moved to Part II due to the inclusion of personal information
Russell O'Keefe	Strategic Director - Corporate and Community Services	09/09/16		
Mark Lampard	Finance Partner	28/08/16	01/09/16	Section (4) Finance and Appendix B amended
Tony Robinson	Streetcare – Team Leader	28/08/16	31/08/16	Financial detail updated
Sarika Varma	Project Manager	28/08/16	31/08/16	Minor amends to text / report reviewed by external consultants supporting scheme development - approved
Michelle Dear	HR Partner	28/08/16	08/09/16	Clarification on specific points requested
Anna Trott	Strategy & Performance Manager	31/08/16	01/09/16	Section (9) updated

## REPORT HISTORY

<b>Decision type:</b>	<b>Urgency item?</b>
For information	No

<b>Report author</b>	<b>Job title</b>	<b>Full contact no:</b>
Ben Smith	Head of Highways & Transport	01628 796147

## **Appendix B**

### **Royal Borough of Windsor and Maidenhead Permit Scheme**

#### **Cost Benefit Analysis Summary – June 2016**

Final version – 30 August 16 – to reflect final position

#### **Costs**

The costs associated with the scheme include the following Set up and operating expenditure and revenue in accordance with the Department for Transport's WebTAG.

- Total Set-up Expenditure **£120,000**
- Year 1 Operating Expenditure **£459,956**
- Annual Operating Expenditure (After Year 1) **£454,233**
- Year 1 Revenue from permits **£468,096**
- Annual Revenue from permits (After Year 1) **£466,784**

The Royal Borough of Windsor and Maidenhead will incur the set up expenditure for the first year only. Revenue is derived from the Permit fees charged to Utility companies. The operating expenditure is recovered by the revenue from the Permit fees..

#### **Business Case**

The development of a detailed Cost Benefit Analysis (CBA) is a requirement of the formal application to the Secretary of State for a Permit Scheme or for making a Local Order.

The analysis assesses the impact of Permits over the full range of required social and economic variables that have been specifically agreed in consultation with the UK Department for Transport (DfT).

An effective CBA is a mechanism to assess the benefits and costs of an investment both in terms of its overall viability and in relation to other options.

The legislative guidance used for the study is contained within:

- Statutory Guidance for Highway Authority Permit Schemes October 2015
- The Traffic Management Permit Scheme (England) (Amendment) Regulations 2015
- Traffic Management Act 2004 (TMA), Code of Practice for Permits, March 2006
- TMA, Permit Schemes, Decision-making and development (2nd Edition), November 2010
- WebTAG guidance Values of Time and Operating Costs (TAG Unit 3.5.6 October 2013).
- Department of Transport's (DfT) Halcrow study "Assessing the Extent of Streetworks and Monitoring Effectiveness of Section 74 in Reducing Disruption Volume 3 – Estimation of Cost of the Delay from Utilities' Street Works, June 2004"
- Chapter 8 of the Traffic Signs Manual DfT 2009
- Design Manual for Roads and Bridges Volume 14 Economic Assessment of Road Maintenance

QUADRO software is able to appraise individual works that are planned in the future on different types of road by modelling the delay experienced by road users, quantify the delay and estimate the cost of the delay.

The software is able to calculate and convert delays in to monetary figures as detailed in WebTAG Unit 3.5.6. with assumptions in regard to valuation of time, operating costs and accidents.

Users are required to input base link specific details including network classification, traffic flows, road type characteristics and any diversion routes. Street work details including site length, works type such as lane closures and shuttle working. The latest version released in January 2014 Version 4 release 12 was used for the CBA. The QUADRO Manual is included in the Design Manual for Roads and Bridges Volume 14 Economic Assessment of Road Maintenance DfT 2002.

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. This 5% reduction is known as the Permit Scheme reduction factor.

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

- The scheme is anticipated to open in **late 2016 or early 2017**
- 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

### Summary of Appraisal

The CBA determined the following key impacts of the Royal Borough of Windsor and Maidenhead Permit Scheme:

- The total number of Noticed works impacted by the scheme amounted to **6,914** of various length and duration.
- The annual delay cost for Utility works undertaken in Windsor and Maidenhead was **£214m** 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 **8,059**.
- The Permit scheme benefit at 5% is **£268m** with costs of **£10m** and a Net Present Value (NPV) of **£257m** giving a Benefit:Cost Ratio of **25.58:1**. A breakdown of benefits is shown on Table 1 below.
- A summary of the CBA consistent with WebTAG is shown on Table 2 below.

**Table 1 Benefits Summary Values and Percentage 5% reduction in works impact 25 Years**

Benefits	Value	Percentage of Total Benefit
Consumer Travel Time	£146,137,475	55%
Consumer Vehicle Operating Costs	£10,369,851	4%
Business Travel Time	£105,528,261	39%
Business Vehicle Operating Costs	£3,369,150	1%
Private Sector Provider Operating Costs	£635,055	0%

Reduction in Fuel Revenue	-£1,424,889	1%
Greenhouse Gases	£1,618,419	1%
Accidents	£1,489,067	1%
<b>Net Present Value of Benefits</b>	<b>£267,722,390</b>	

**Table 2: Summary of CBA**

**Analysis of Monetised Costs and Benefits (5% Work Saving) 25 Years**

Noise	-	-12
Local Air Quality	-	-13
Greenhouse Gases	1,618,419	-14
Journey Quality	-	-15
Physical Activity	-	-16
Accidents	1,489,067	-17
Economic Efficiency: Consumer Users (Commuting)	156,507,327 (1a)	
Economic Efficiency: Consumer Users (Other)	- (1b)	
Economic Efficiency: Business Users and Providers	109,532,466	-5
Wider Public Finances (Indirect Taxation Revenues)	1,424,889	- (11) - sign changed from PA table, as PA table represents costs, not benefits
Present Value of Benefits (see notes) (PVB)	267,722,390	(PVB) = (12) + (13) + (14) + (15) + (16) + (17) + (1a) + (1b) + (5) - (11)
Broad Transport Budget	10,465,891	-10
Present Value of Costs (see notes) (PVC)	10,465,891	(PVC) = (10)
<b>OVERALL IMPACTS</b>		
<b>Net Present Value (NPV)</b>	257,256,499	NPV=PVB-PVC
<b>Benefit to Cost Ratio (BCR)</b>	25.58	BCR=PVB/PVC

Note : This table includes costs and benefits which are regularly or occasionally presented in monetised form in transport appraisals, together with some where monetisation is in prospect. There may also be other significant costs and benefits, some of which cannot be presented in monetised form. Where this is the case, the analysis presented above does NOT provide a good measure of value for money and should not be used as the sole basis for decisions. All values in £s.