



# STREET WORKS PERMIT SCHEME

TRAFFIC MANAGEMENT ACT 2004

## Cost Benefit Analysis Summary - For consultation

City of York Council

January 2020

## Introduction

City of York Council has used the calculator provided by the Department for Transport (DfT) to assess the benefits of the proposed permit scheme.

The assessment has been carried out for the 2010 base year (using 2018 data) and over a 25 year appraisal period, taking account of the following characteristics (based on historical data).

- Number of works per annum (current estimates under noticing): Approx. 6,300 (included estimated Remedials and cancelled/abandoned works);
- Average works duration (current estimates under noticing): 6.7 days.

## Operational summary

The proposed permit scheme has been assessed on the basis of the following operational characteristics:

- Proposed permit scheme one-off implementation costs, Present Value of one-off costs in 2010 prices: Approx. £129,600;
- Proposed permit scheme annual operational costs, Present Value of annual costs in 2010 prices: Approx. £575,700;
- Permit Scheme annual revenue, Present Value of annual permits fee income in 2010 prices: Approx. £331,300;
- Number of personnel required for the proposed permit scheme: Approx. 4.9 FTE; and
- Number of personnel currently employed on noticing: Approx. 2.7 FTE.

## Cost benefit analysis

A summary of the Cost Benefit Analysis undertaken is presented in Table 1. Key assumptions supporting this analysis include:

- Assumed reduction in road works: 5% (DfT) – primary scenario);
- For capital costs of implementation, risk and optimism bias is set at a total adjustment of 38% as per DfT guidance;
- A discount rate of 3.5% has been applied to convert all annual values to net present values before allowing for inflation;
- All revenue and capital costs have had a market cost adjustment of 19% as per DfT guidance (WEBTag); and
- All costs and revenues are given in 2018 prices, however since QUADRO output is in 2010 prices, all costs and revenue have an 8 (financial) year discount with GDP deflation of 89.191% as per Office of National Statistic GDP deflator guidance (March 2019).

*Table 1: Cost Benefit Analysis summary*

<b>Benefit type</b>	<b>Benefit (£)</b>
Consumer User Benefits	£666,423
Business User Benefits	£400,071
Accident Benefits	-£82
Fuel Carbon Emission Benefits	-£15
Indirect Tax Revenue Benefits	-£50,515
<b><i>Subtotal Quantified Annual Repeat Benefits (2010 Prices)</i></b>	<b>£1,015,882</b>
Annual Repeat Permit Fee Income (2018 Prices)	£371,492
Annual Repeat Permit Fee Income (2010 Prices)	£331,337
<b><i>Present Value of Benefits (2010 Prices)</i></b>	<b>£1,347,219</b>
<b><i>Net Present Value of Benefits (25 Years Operation)</i></b>	<b>£22,204,211</b>
<b>SUMMARY</b>	
Net Present Value of Benefits	£22,204,211
Net Present Value of Costs	£9,618,216
<b>Benefit to Cost Ratio</b>	<b>2.309</b>