



Borough of Gateshead

Permit Scheme

For Road Works and Street Works

in accordance with the Traffic Management Act 2004

Cost Benefit Analysis Executive Summary

July 2019

Executive Summary

To calculate the benefits of the Permit Scheme, Gateshead Metropolitan Borough Council (“the Council” or “Gateshead Council”) has utilised the calculator provided by the Department for Transport. The assessment has been carried out for the 2018 base year and a design life of 10 years.

- Number of works per annum: 5,436
- Number of works which required traffic control: 5,202
- Average works duration: 5.5 days

Operational summary:

- Number of personnel required: 3 full time equivalents (FTE)
- Number currently employed on noticing: 1 FTE
- Permit Scheme annual operating cost, £0.315m
- Permit Scheme annual revenue, £0.283m

Cost Benefit Analysis:

- Assumed saving in annual cost of works, 5%
- Optimism bias added to all costs, 15%
- First year scheme operational cost £0.31m

Benefits

Type	Benefits from decrease in Congestion costs
<i>Business</i>	
Journey Time Savings & reliability	£419,277
<i>Non-Business</i>	
Journey Time Savings & reliability	£368,347
Accident	£7,306
Fuel Carbon	£39,819
TOTALS	£834,749

Net Present Value	£328,329
Net Present Costs	£788,978
Net Present Benefits	£1,117,307
Benefit to Cost Ratio	1.42

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 Gateshead Council's network.

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

If a net reduction in delay and user costs of 5% are indeed realised, the BCR would be 1.42 during the first three years of operation. This clearly demonstrates an overall benefit to road users.

The cost benefit calculation does not include any of the benefits that cannot readily be identified in analyses such as these. Asset protection, better co-ordination, pedestrian delays are factors which could only serve to push the factors up higher. But they cannot be easily quantified, so do not form part of the above data.