

November 2010



Traffic Management Act 2004

Permit Schemes

**Decision-making and
development (2nd Edition)**



The Department for Transport has actively considered the needs of blind and partially sighted people in accessing this document. The text will be made available in full on the Department's website in accordance with the W3C's Web Content Accessibility Guidelines. The text may be freely downloaded and translated by individuals or organisations for conversion into other accessible formats. If you have other needs in this regard please contact the Department.

Department for Transport
Great Minster House
76 Marsham Street
London SW1P 4DR
Telephone 020 7944 8300
Website **www.dft.gov.uk**

© Crown copyright 2009

Copyright in the typographical arrangement rests with the Crown.

This publication, excluding logos, may be reproduced free of charge in any format or medium for non-commercial research, private study or for internal circulation within an organisation. This is subject to it being reproduced accurately and not used in a misleading context. The copyright source of the material must be acknowledged and the title of the publication specified.

For any other use of this material, apply for a Click-Use Licence at www.opsi.gov.uk/click-use/index.htm, or by e-mail **licensing@opsi.x.gsi.gov.uk**

Contents

Executive summary	4
1. Initial consideration of permit schemes	5
2. Permit scheme objectives	7
3. What sort of Permit Scheme might be right for our authority?	9
4. Engagement with works promoters	11
5. The development team.....	14
6. Application practicalities	15
7. The application pack	20
8. Checklist for application packs	22
9. Practicalities	23
10. Implementing a permit scheme.....	24
Annex A.....	26
Annex B.....	29
Annex C	39
Annex D	43

Executive summary

This short guidance note on Permit Schemes is aimed at English local highway authorities, and provides tips and suggestions on scheme development and application practicalities. It reflects experience and lessons learned during the development and approval of the first schemes, and should be read in conjunction with, other Department for Transport (DfT) guidance documents giving more detailed advice. The full guidance suite is set out and introduced on the DfT website at:

<http://www.dft.gov.uk/pgr/roads/network/local/streetworks/>

The Department for Transport's intention is to maintain this short guidance as a living web-based document, and to update it from time to time as further practical experience of Permit Schemes emerges. However, DfT guidance is not a substitute for learning directly from authorities who are already implementing or developing Permit Schemes. Expertise on scheme design and implementation practicalities will in future be found mainly in local authorities, not in central Government; the Department for Transport encourages all highway authorities to learn directly from their peers' experience, and to consider lessons for their own networks.

1. Initial consideration of permit schemes

- 1.1** In the Department's view, there are three key questions local highway authorities should try to answer for themselves before taking a decision to implement a Permit Scheme.
- What are the nature and scale of the problems in our area arising from works in the highway?
 - Are there ways to tackle those problems that can be introduced quickly, in advance of a Permit Scheme?
 - Is a Permit Scheme likely to offer value for money?
- 1.2** Local authorities should seek first to understand the nature of the problems in their area. Informal benchmarking of outcomes, management information and processes against those of comparable authorities is the single most valuable tool for identifying specific local problems and potential solutions.
- 1.3** It may be that comparable authorities have developed solutions available for at least some of those problems that can be implemented quickly and simply, without the time commitment and costs involved in developing and implementing a Permit Scheme. Furthermore, the benchmarking process may identify common ground between authorities, and facilitate joint working, including the development of common and joint Permit Schemes. The work of the Joint Authorities Group (JAG, www.jaguk.org) enables regional and national networks of local authorities that can facilitate successful benchmarking and shared problem-solving. DfT encourages all English local highway authorities and traffic managers to participate fully in those networks.
- 1.4** Following benchmarking, an authority may consider that the scale and nature of local problems are such that a transformational solution is needed. It is at that point that authorities should consider a Permit scheme.
- 1.5** All local authorities applying for Permit Schemes are required to submit a statement of the expected costs and benefits of running their proposed scheme on their networks (see Regulation 4 of the Permit Scheme regulations, reproduced in Annex A). However, the Department for Transport strongly recommends that a local authority's consideration of

value for money should start well before a decision to apply. A greatly simplified early outline appraisal is essential to help decision-makers in local authorities achieve a value-for-money service to the public.

- 1.6** An outline appraisal of this kind does not require lengthy documentation or analysis of the varied different effects of a potential scheme. 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. Local authorities might, then, start with an outline appraisal that simply compares only one key benefit with one key cost – the expected reduction in delays to road users, set against expected additional staff costs and overheads.
- 1.7** If this comparison is strongly positive, decision-makers can feel confident that further development of the scheme is likely to be worthwhile. If the comparison is equivocal or somewhat negative, authorities might consider a less costly model of Permit Scheme – for example, a scheme that enables them to share more costs with other authorities, or that focuses on the roads and times that offer the greatest potential to reduce road user delays. If the comparison is strongly negative, local authorities may do better to consider other options for improving the management of works.
- 1.8** The key task in such an outline appraisal is therefore to estimate the reduction in road user delay that would be achieved through implementing a Permit scheme on its road network. In making that estimate, local authorities should make use of any available local data about the extent of delays on its network, and about the proportion of delay that is due to works in the highway. They must then make reasonable assumptions about the proportion of that delay that can be prevented through better management of works. In making those assumptions, we suggest local authorities take account of the experience of local authorities implementing the earliest Permit schemes, and the behaviour changes that real Permit Schemes deliver in practice. This evidence will start to emerge from early 2010 onwards.

2. Permit scheme objectives

2.1 While minimising delays to road users will normally be the key objective of a permit scheme, these schemes can also be used to help achieve a range of other local authority objectives. The Department recommends that authorities developing permit schemes should decide as early as possible which supplementary objectives are important locally, and therefore should be addressed in the detailed design of their scheme. The Regulations require that the objectives of a proposed Permit Scheme are clearly set out in applications, and the Department expects measurement of the achievement of those objectives to be the focus of the post-implementation evaluation of schemes.

2.2 We therefore recommend that these supplementary objectives are focused and targeted. Local authorities should be mindful that setting too many separate additional objectives could lead to a scheme design that loses focus, or that becomes too complicated to administer. We would suggest no more than three or four specific supplementary objectives, in addition to the headline road user delay objective and the required 'parity' objective. Again, authorities should make use, where possible, of information from benchmarking processes, which can indicate which issues are most significant locally. Targeting a permit scheme on those issues is likely to be an effective way of achieving greater value for money from the permit scheme.

2.3 Possible objectives of a permit scheme include:

- reduction in safety hazards and incidents in and around works sites;
- reduction in the adverse impact of works on local residents;
- reduction in the adverse impact of works on local businesses;
- reduction in the adverse impact of works on disabled people;
- reduction in the adverse impact of work on bus passengers;
- protection of the structure of the street and apparatus within it, in a way that helps manage long-term maintenance costs;
- better information for road users about works in the highway;
- greater compliance with highways legislation by works promoters;
- greater cooperation between different works promoters;

- greater adoption of minimally invasive works methods, and measures to mitigate the impact of excavations (e.g. plating);
- reduction in the environmental impact of works (less noise, greater cleanliness, recycling of materials etc);
- productivity of local authority highway services teams;
- greater road user satisfaction with the management of works.

The above list is not intended to be exhaustive.

2.4 Any of these objectives could be specifically targeted by providing specific financial incentives (the application or disapplication of permit fees and fee discounts) or in some cases by the use of certain types of permit conditions.

3. What sort of Permit Scheme might be right for our authority?

3.1 There are three broad classes of Permit Schemes available:

- **Single-authority schemes** cover some, or all, of the road network managed by an individual highway authority. This option is the most flexible, allowing a permit scheme to be designed around the specific needs of particular areas and authorities. However it does not allow smaller authorities the efficiencies of scale of other options, and for this reason it may not always offer the value for money of a common or joint scheme. Single-authority schemes are therefore likely to be most appropriate for larger authorities, whose road networks span whole conurbations or sub-regions.
- Under **common schemes** a group of authorities, usually covering a particular area or sub-region, agree to implement functionally identical permit schemes, which are then managed separately by the individual authorities. This intermediate option offers authorities some flexibility to decide how best to deploy resources within their areas, and it can deliver important efficiencies in scheme development, management and monitoring. But local authorities working to a common scheme may find it less easy to adapt common permit schemes to their specific and particular needs, or to agree changes following implementation. These types of scheme may be most appropriate for sub-regional or regional groups of authorities, whose networks are distinct in character from each other.
- The final option is a **joint scheme**, in which a group of authorities agree to implement a single scheme, managed and run centrally on behalf of them all. This option is likely to deliver the greatest possible efficiencies in administration and the most seamless service to works promoters and to the public. Local authorities under a joint scheme would need to deliver and resource a defined standard of service that will apply throughout the area covered by the joint scheme. Joint schemes are likely to be most appropriate for groups of neighbouring authorities, of any size, whose road networks are of a broadly similar character. (As of early 2010, no applications for joint schemes have yet been considered, so the application practicalities have not yet been fully tested; we therefore invite groups of authorities contemplating joint schemes to contact DfT for an early discussion.)

- 3.2** Local authorities have considerable flexibility, within those categories, to design schemes that address particular local needs. For example, in all classes of scheme, permit fees may be applied to all roads at all times, or to particular defined roads and/or at specific times. Discounts on permit fees may be applied, for example where works promoters show they are applying best practice and/or achieving greater coordination. Policies on the use of specific permit conditions, and the circumstances in which they will be applied, may vary from scheme to scheme.
- 3.3** As more Permit Schemes are implemented, highway authorities may want to make scheme development easier by copying the successful schemes that have been introduced by comparable authorities. The Department would, though, encourage all prospective Permit authorities to consider a degree of local customisation, if this looks likely to enhance significantly the overall value for money of the scheme. To maximise value for money, incentives for works promoters should be designed to achieve specific, well-defined behaviour changes. Financial incentives should be proportionate, and targeted on the specific behaviours that most need to change.

4. Engagement with works promoters

- 4.1** The consultation requirements for proposed Permit Schemes are set out in Regulation 3 of the Regulations – this is reproduced in Annex A. However, in the view of the Department for Transport, public engagement on Permit Schemes should not be limited to a formal consultation process. Engagement should be seen as a practical tool for making sure your Permit Scheme is the best one possible for your area, and for maximising its value for money. Engagement should start at an early stage, well before decisions on the preferred type of scheme are taken.
- 4.2** Permit schemes affect everyone who uses roads, but they are of course particularly relevant to people who are responsible for installing and maintaining highways and utilities infrastructure, and their contractors. Works promoters facing Permit Schemes whose aims, objectives and methods are unclear would be justified in having serious concerns about the proposals. They would be more likely to challenge a local authority's decisions about the scheme, and operational decisions made under the scheme. The need to respond to such challenges will involve increased operational costs and will therefore adversely affect the value for money of schemes. So it is in everyone's interest that any such concerns are anticipated, identified and addressed, as far as possible, and as early as possible, during early scheme development.
- 4.3** Furthermore, Permit schemes are designed to achieve efficient and considerate behaviour from those planning and executing works. It is works promoters who are the greatest experts on their own behaviour, and the pressures and incentives that affect their behaviour. So they should be seen as a source of expertise, offering practical knowledge that can help make permit schemes better. They are best placed to advise prospective permit authorities on the likely effect of the mechanisms and incentives permit schemes would put in place, and how those mechanisms and incentives could be deployed to best effect.
- 4.4** All works promoters, particularly those subject to Permit fees, will naturally have concerns about the possible financial impact of proposed Permit Schemes. Permit Schemes should be designed so that works promoters find that the best way to minimise any financial impacts is through greater coordination of works, greater efficiency in the planning

and execution of works, and through careful compliance with legislation that avoids the risk of penalties. Engagement with works promoters should aim to convince them that this approach is the way forward. The risk otherwise is that works promoters will believe that their best way to minimise financial exposure is to try to minimise the scope of the scheme in its development stage, or to challenge operational decisions made under the scheme. Such attitudes may indicate that further engagement with them is necessary before local authorities can be sure that their Permit Schemes will achieve the desired behaviours.

- 4.5** The Department for Transport believes that the vast majority of utility companies are ready and willing to engage positively with local authorities on proposed permit schemes, with the aim of ensuring that they achieve value for money and bring benefits to road users. The National Joint Utilities Group, (NJUG – www.njug.org.uk), which represents most statutory undertakers, has confirmed that this is its policy; the Group encourages its member companies to assist authorities who are developing schemes. If authorities developing permit schemes find that particular companies who are NJUG members are taking an uncooperative or obstructive approach, we suggest they bring these problems to the attention of the NJUG secretariat.
- 4.6** One way to counter the fears that some works promoters might have about Permit Schemes is to set out a longer-term vision for the management of works in your area that is attractive to all works promoters, as well as to road users. The Department for Transport believes that in the longer term, thoughtfully designed and carefully managed Permit Schemes could deliver significant savings, arising from greater coordination of works and other operational efficiencies, for all works promoters – and those savings may eventually balance or even outweigh any potential additional costs. This is the ideal situation – a Permit Scheme that works for everyone – and we would encourage all prospective Permit authorities and works promoters to set this goal early on in the development of schemes, and work jointly with that aim in mind.
- 4.7** The Department also believes Permit Schemes will change the nature of the relationship between works promoters and Permit authorities in a more profound way. Works promoters who pay permit fees will become, in effect, the paying customers of the Permit authority, who receive something of value – the right to carry out works in a particular place at a particular time – in exchange for payment. Like other customers buying items of value, they will expect a particular level of customer service in return, particularly in terms of available coordination opportunities. Works promoters operating across different Permit areas are likely to compare the number and quality of coordination opportunities they are offered under different Permit Schemes – and the Department will actively encourage them to do so. We recommend that prospective

Permit authorities anticipate that close scrutiny, by benchmarking their performance against other Permit authorities.

4.8 Permit authorities might also come to feel that, because of these changed relationships, there will be much more opportunity to provide added value to their works promoter 'customers', for example by offering them the opportunity to buy additional highways management services from the authority. The Department for Transport considers that this 'customer / service provider' model is potentially a very useful way of thinking about future relationships between local authorities and works promoters, and would be very interested in local authorities' ideas for developing this model further.

4.9 The Department for Transport, then, feels that good working relationships with works promoters are essential for the development and delivery of successful Permit schemes – but Permit schemes, approached also offer the prospect of a much greater transformation in those relationships, bringing benefits to all involved. Permit schemes should be developed with this positive vision in mind.

5. The development team

- 5.1** Given the range of administrative, legal and economic issues that need to be considered, the Department suggests that local authorities contemplating a permit scheme could convene a small multi-disciplinary project team early in the process, which would see the application process through to completion. This would involve the authority's traffic manager and other experts in the management of highway works, along with staff with experience of legal and economic issues (or at least with experience of procuring legal and economic advice). Given the potential role of many permit schemes in improving information and stakeholder relationships, there may also be an important role in the development team for a communications expert.
- 5.2** The Department expects that private consulting firms will increasingly offer local authorities services to help them develop permit schemes. This may well prove to be a helpful source of expertise that cannot easily be obtained within the authority concerned. However applicant authorities should note that permit scheme costs will need to be reflected in the authority's costs and benefits statement (see Annex C), so they should always aim to maximise the value for money delivered by such advisers.

6. Application practicalities

- 6.1** Once a prospective permit authority has decided on the key features of its preferred Permit Scheme, and considers that its scheme design will maximise the overall value for money of the scheme, it will need to submit an application to the Department for Transport.
- 6.2** Several authorities wishing to implement a joint scheme may choose to submit a joint application. Such an application can be submitted by a single authority acting on behalf of all the other authorities with their agreement.
- 6.3** Authorities proposing to implement a common scheme must submit separate applications. In common schemes, the ‘scheme document’, will, by definition, be almost identical for each application. Additionally, common documentation may be used where appropriate – for example, the required statement of costs and benefits, as required from each local authority proposing to operate a common scheme, can be presented as a common document, provided it sets out clearly and distinctly the costs and benefits as they apply to each applicant.
- 6.4** Each class of permit scheme application submitted, whether single, common or joint, must contain all the required evidence set out in legislation. Authorities whether jointly or separately, are responsible for submitting their application, their scheme, and the information set out in Regulation 4 of the Regulations.
- 6.5** The application has two purposes:
- to ensure that the Secretary of State is able to carry out his or her statutory duties in relation to Permit Schemes, as set out in the relevant legislation; and
 - to ensure that the Secretary of State, should he or she approve the Permit Scheme application, is able to give effect to that scheme through secondary legislation – i.e. a specific Statutory Instrument (SI).
- 6.6** The Department’s assessment consists of four tests:
- Test 1: A test of the compliance of the proposed scheme with the requirements of relevant legislation and the Secretary of State’s statutory guidance. We will check that the scheme contains statements that enable us to conclude that all the requirements

written in the legislation and statutory guidance have been met. These requirements are set out in Annex B, which is the assessment matrix used by DfT for the first Permit Scheme assessments. We invite applicants to use this as a useful checklist, when reviewing their application pack. (DfT will be reviewing and updating this assessment matrix for future applications, but we consider the list of requirements to be broadly complete.)

- Test 2: A test to determine if the proposed permit fees are reasonable and adequately justified. The Secretary of State is required, under section 37 (9) of the Traffic Management Act 2004 (TMA), to ensure that Permit fees raised by proposed schemes do not exceed the prescribed costs of implementing the scheme. Applicants will therefore need to set out and justify their proposed fees by means of a fees matrix, which aims to demonstrate that the fees are likely to reflect the costs of operating the scheme. Full advice on preparing fees matrices is contained in the statutory Permit Fees guidance. Authorities will also be required to include
 - i. a narrative of the derivation of their proposed fee levels; and
 - ii. a statement signed by a senior official within the organisation certifying that the fees charged are justified and have been set in compliance with the requirements of relevant legislation and statutory guidance. Please see Annex D for a suggested format to use.
- Test 3: A test of whether the proposed scheme is likely to deliver value for money. This requires a basic appraisal of the costs and benefits of the scheme, demonstrating that the scheme, on the balance of probabilities, is likely to deliver net benefits to road users and wider society that exceed the additional costs of the scheme. Such an appraisal should be consistent with the principles of the Department's New Approach to Transport Appraisal (NATA). Advice on preparing NATA-consistent appraisals of transport schemes is in the Department's appraisal guidance at www.webtag.org.uk, and further advice of direct relevance to Permit Schemes is in Annex C.
- For the purposes of the application, the Department requires all the significant costs and benefits of the proposed scheme – not just those envisaged by the stated objectives of the scheme - to be set out clearly in an appraisal summary document, and, where practicable, quantified. An overall assessment of costs and benefits should set out a net present value (NPV) and a benefit to cost ratio (BCR) for the proposed scheme, alongside a commentary on the scale and likely effect on the NPV and BCR of the benefits and costs that could not be quantified.
- The Department recognises that in drawing up statements of costs and benefits relating to permit schemes, local authorities will have

to make some broad assumptions about their likely effects. All such assumptions should be set out, briefly, in the appraisal summary. The Department's economic advisers will review the summary and may wish to investigate certain aspects of the appraisal further before advising ministers whether the test has been met. It may be in applicants' interest therefore to provide any fuller analyses of costs and benefits that they have prepared, alongside the application pack. While this is not a specific requirement, submitting such a document may help DfT to carry out the value for money test as quickly and efficiently as possible. If authorities choose not to submit that sort of document, they need to be ready to answer detailed questions on their appraisal through discussions and meetings with DfT staff.

- As part of this test, the Department will also review the explanation required from authorities of how their scheme will be evaluated with reference to the stated objectives of the scheme. Permit scheme evaluations should attempt to demonstrate to what extent the objectives of the scheme, as anticipated and quantified in the appraisal statement, have been delivered, and specify the baseline and post-implementation data that will be collected for this purpose. As one of the objectives of all permit schemes must be to achieve equal treatment between all works promoters, evaluation proposals should set out how evidence about this parity will be collected. Evidence of a clear commitment from an applicant to carry out a rigorous evaluation of its proposed permit schemes may help DfT in its consideration of any difficulties arising from uncertainties set out in the costs and benefits statement. This information may therefore also help DfT reach decisions quickly and efficiently.
- Test 4: Finally, DfT will consider whether the scheme is deliverable in practice, and if it is therefore in the public interest to give effect to the scheme through legislation. The scheme document will be reviewed to ensure that it is complete – i.e. that it sets out how all situations that are likely to arise in the normal course of business would be managed under the scheme. The scheme will also be checked to ensure that it makes no unreasonable demands on works promoters or the wider community. Applicant authorities should also include evidence that the scheme is compliant with the current version of the Technical Specification for the Electronic Transfer of Notices (EToN), which sets out the required standards for information exchange between works promoters and local authorities, and enables practicable and efficient software applications. We recommend for this purpose a statement by third party experts that they have considered and verified the compliance of the proposed scheme with the EToN Technical Specification – e.g. a 'To Whom It May Concern' letter from a recognised supplier of relevant software and technical services.

- 6.7** The Department for Transport aims to complete these four tests, advise ministers, and communicate decisions on applications within ten working weeks of the receipt of complete applications. On receipt of applications, we will first carry out an initial check to ensure that the application is complete, and we will then acknowledge receipt and notify applicants of a target decision date. (In practice, it may not be possible to announce all decisions within ten weeks – for example, we would be unable to announce decisions on individual Permit schemes in the run-up to relevant local and national elections. We will alert applicants to any issues of this kind, as and when we acknowledge receipt of applications.)
- 6.8** Decisions on permit scheme applications will be communicated to authorities by means of a formal decision letter, from a DfT official. This will identify the issues that the Secretary of State has considered in making his or her decision, and explain the decision with brief reasons.
- 6.9** If the decision is to decline the application, the letter will invite the applicant authority to an urgent meeting, at which we would offer further feedback on the reasons why we consider the tests had not been met, so that the authority can quickly consider its next steps.
- 6.10** If the decision is to approve the Permit Scheme, authorities will be invited to respond with a letter nominating a date for the introduction of the scheme, which should be no less than a further ten working weeks from the date of their response. This is to allow sufficient time for the Department to complete the drafting of the SI that will give effect to the scheme, and to carry out checks and quality assurance to the standards required by Parliament. (Most authorities will in practice need more than ten weeks before scheme introduction, given the timescales for recruitment and training of staff.)
- 6.11** Successful applicants and other stakeholders are reminded that approval of a Permit Scheme by the Secretary of State simply means that, in his or her opinion, the submitted scheme meets the requirements of legislation and passes the tests set out above. Approval does not represent his or her agreement that the scheme is the best scheme possible, or that it is likely to achieve its objectives. It is the responsibility of individual local authorities to make the right decisions for their communities on the design and implementation of their own permit schemes. The Department for Transport will not seek to influence those decisions, either in public or in private.
- 6.12** The Department has the ability to decide to approve a Permit Scheme application with amendments. In practice, we prefer to agree any necessary amendments with the applicant authority well before finalising a decision, so that the authority has the opportunity to submit a revised scheme for approval without amendments.

6.13 For early permit scheme applications, the Department felt it was necessary to ask the applicant authorities to provide Memoranda of Understanding on how the evaluation of their proposed schemes would be conducted, before final decisions could be made. To avoid the potential need for this in future, we recommend applicants ensure they include:

- specific and measurable objectives for their schemes;
- a clear methodology for measuring and assessing achievement against those objectives;
- evidence (e.g. in the form of a written statement by a senior officer) that the applicant authority is committed to that methodology and thereby to delivering a robust evaluation.

7. The application pack

- 7.1** The Department for Transport requires, in applications, only the permit scheme itself, as defined in section 32 of the TMA, and the supporting information specified in Regulation 4 of the Regulations, in a format that enables us to carry out the four tests above.
- 7.2** Applicants are reminded that a satisfactory and complete draft application pack, aimed at DfT's assessment purposes, is not necessarily suitable or appropriate for other purposes – for example, as the basis for public consultation or for engagement with works promoters. Applicants should consider the reasonable needs of the audience for all their material on Permit Schemes, and to adapt the material according to their needs and interests. For example, material aimed at the general public might emphasise and expand on the objectives of the scheme, and how the authority will ensure the scheme delivers ongoing benefits to road users and value for money to council tax payers. Material aimed at statutory undertakers might, in contrast, focus on the operational practicalities of the scheme, and information on how the permit authority would achieve parity of treatment between works promoters.
- 7.3** The Department does not require applications to be presented in any specific format, provided the application pack meets the requirements of sections 32 and 33 of the TMA, and Regulation 4 of the Regulations (see Annex A). However, if the application is approved, DfT will at that stage need to distinguish all the information that describes and defines the scheme itself – including, but not necessarily limited to, the information set out in Section 32 of the TMA – and which therefore needs to be given effect through an SI. We therefore invite applicants to present this information in a scheme document, separate from all other information that justifies, explains or contextualises the scheme – such as the information required under Regulation 4.
- 7.4** Applicant authorities should be aware that once definitions and descriptions of the scheme are included in an SI, they cannot subsequently be amended or discontinued except by making an application to the Secretary of State for a scheme variation or revocation. Applicants, particularly those proposing to take part in a common or joint permit scheme devised mainly by other authorities, should therefore check carefully that they can commit to deliver everything set out in the scheme document, before submitting their applications.

- 7.5** However, authorities contemplating joint or common schemes may feel it would be useful to include other information within the scheme document, as this may effectively ‘bind’ all participating authorities to certain aspects of scheme implementation – for example, to a common set of scheme objectives, a common implementation date, or a joint programme of evaluation. Including such information in the scheme document is optional, but any such proposals should be notified as early as possible with DfT as we may need to consider the legislative implications and practicalities.
- 7.6** The scheme document will need to define, unambiguously, the streets to which its various provisions apply. This could, for example, refer to all streets within a boundary defined under other legislation, and for which the prospective permit authority is also the highway authority. If the scheme’s provisions are intended to apply differently to different streets within an area, it is most practical to borrow a categorisation that has already been defined elsewhere in highways legislation, rather than attempting to define a new categorisation or resorting to detailed lists of individual roads. If applicant authorities cannot identify from the legislation a suitable categorisation that meets their needs, they should discuss the problem as early as possible with DfT.

8. Checklist for application packs

8.1 Authorities should ensure their application packs contain the following information;

- a covering letter giving the contact details of key officers DfT may contact about relevant aspects of the application;
- the Scheme document;
- a clear statement of the legal name of the Highway Authority for the relevant streets specified or defined in the scheme document;
- a statement of the objectives of the scheme, which should as far as possible include a statement of the quantified improvements in outcomes the scheme is expected to deliver;
- a statement of costs and benefits, in the form of a summary appraisal;
- a statement of the proposed approach to post-implementation evaluation of the proposed scheme, showing how it will measure the achievement by the scheme of the defined objectives, including the 'parity' objective;
- a completed fees matrix, in accordance with the statutory guidance on permit fees;
- the proposed implementation date, which should take account of the application and implementation practicalities set out above;
- details of preferred transitional arrangements, reflecting the applicant's consideration of how extant notices and works should be handled in the course of a transition from the authority's current practice to the proposed permit scheme;
- a consultation report, summarising the responses received and any changes made to the proposed scheme following the consultation.

9. Practicalities

- 9.1** Completed applications, should be sent electronically, in any commonly-used document format, to: **maclean.okotie@dft.gsi.gov.uk**
- 9.2** Please also send three hard copies of your application documents by post to:
Zone 2/07
Department for Transport
Great Minster House
76 Marsham Street
London SW1P 4DR
- 9.3** The same contact details apply for requests for advice on the Permit Scheme application process and practicalities, or suggestions on how the Department's advice and guidance could be improved.

10. Implementing a permit scheme

- 10.1** The Department will not presume to offer advice on the practicalities of implementing a Permit Scheme in a local authority, following a successful application. We consider the day to day administration of permit schemes to be a matter for the local authorities concerned, who are the experts in the day to day management of highway networks.
- 10.2** However, the importance of ensuring an efficient and effective roll-out, that avoids unnecessary administrative problems, cannot be overstated; we therefore invite authorities to consider these issues with their peers who have already implemented schemes, in advance of submitting an application. We recommend thorough testing of administrative processes and IT applications, in cooperation with utility companies and other stakeholders, in advance of scheme implementation, and with reference to complex real-life cases.
- 10.3** SIs giving effect to Permit Schemes will take a simple and practical approach. They will carry out only three key tasks:
- providing for the scheme described in the scheme document, which will form a schedule to the Instrument, to have effect from a particular date;
 - providing for the disapplication of various provisions of other legislation from the same date, where they would be redundant or incompatible with the Scheme;
 - providing for the transitional arrangements specified by the authority to have effect – these set out what happen, for example, when changes are sought to works that are noticed before the introduction of a scheme, but are to take place after the introduction of the scheme.
- 10.4** There will be a separate SI for each applicant authority in a common scheme. As for all other legislative instruments, they will be public documents, published by The Stationery Office and available free online or as paid-for hard copies.
- 10.5** Authorities must be confident of being ready to implement the permit scheme from the date specified on the SI, as some key powers they have previously used to manage street works will not be available to

them afterwards. To ensure this is realistic, we do not intend to issue SIs any more than six weeks in advance of the authority's preferred implementation date. (Should authorities decide that they cannot achieve the implementation date specified in the SI, they will need to ask DfT for an amended SI; we will then be able to withdraw any SI we have issued, but we may then need up to a further ten weeks to re-make it with an amended date.)

- 10.6** Authorities are reminded of the legislative requirement to notify all statutory undertakers of the start of a permit scheme no later than four weeks before the planned implementation date. In practice, of course, we would hope that communications with undertakers will lead to a shared understanding of implementation practicalities well before that deadline.
- 10.7** There is no requirement for authorities implementing common schemes to implement their schemes from the same date, though this should be the preferred approach where possible, to minimise potential confusion and reduce complexity for works promoters.

Annex A

Extract from The Traffic Management Act 2004 Part 3 - Permit Schemes

32 Meaning of “permit scheme”

(1) Any reference in this Part to a permit scheme is a reference to a scheme which is designed to control the carrying out of specified works in specified streets in a specified area.

(2) A permit scheme may (in particular) include provision—

(a) for or in connection with requiring a permit to be obtained before specified works are carried out (including provision as to the persons who are required to obtain permits),

(b) for or in connection with the issue of permits (including provision with respect to applications for permits, provision for cases in which there is to be an entitlement to the issue of a permit and provision with respect to cases in which permits are to be deemed to be issued),

(c) as to cases in which specified works may be carried out without a permit,

(d) for or in connection with the imposition of conditions which are to apply in relation to the carrying out of specified works (including provision for or in connection with the attachment of such conditions to permits),

(e) for or in connection with the review or variation of permits or such conditions (including provision with respect to applications for such variations).

(3) In this section “specified” means specified, or of a description specified, in a permit scheme.

33 Preparation of permit schemes

(1) A local highway authority, or two or more such authorities acting together, may prepare and submit to the appropriate national authority a permit scheme.

(2) The appropriate national authority may direct a local highway authority, or two or more such authorities acting together, to prepare and submit to the national authority a permit scheme which takes such form as the national authority may direct.

- (3) The appropriate national authority, in its capacity as a highway authority, may prepare a permit scheme.
- (4) The Secretary of State, in his capacity as the person with responsibility for the management and control of streets in the Royal Parks, may prepare a permit scheme in respect of any such streets.
- (5) Those preparing permit schemes—
 - (a) must comply with permit regulations, and
 - (b) must have regard to any guidance which may be issued by the appropriate national authority.

Extract from The Traffic Management Permit Scheme (England) Regulations 2007

Consultation for new permit schemes

3.—(1) Prior to submitting a permit scheme to the Secretary of State under section 33 of the 2004 Act, the Permit Authority shall consult—

- (a) every person who carries out works in the proposed specified area from time to time, to the extent the Permit Authority is aware of them doing so;
- (b) every local authority other than the Permit Authority in whose area is situated any street to which the proposed permit scheme relates;
- (c) where any street to which the proposed permit scheme relates is in Greater London, Transport for London;
- (d) where any street to which the proposed permit scheme relates is in the passenger transport area of a Passenger Transport Executive, the relevant Passenger Transport Executive;
- (e) the emergency services which operate in the proposed specified area;
- (f) the Secretary of State;

and such other persons as the Permit Authority considers appropriate.

(2) If, before the day on which these Regulations come into force, the Permit Authority has undertaken any consultation which, had it been undertaken after that day, would to any extent have satisfied the requirements in paragraph (1), those requirements shall to that extent be taken to have been satisfied.

Procedural requirements for submitting new permit schemes

4. When submitting a permit scheme under section 33(1) or (2) of the 2004 Act, the Permit Authority shall provide the Secretary of State with the following information—

- (a) the name of every person who is a highway authority for one or more of the specified streets;
- (b) what the objectives of the Permit Authority are for that permit scheme;
- (c) how the Permit Authority proposes to ensure that it will comply with the obligation set out in regulation 40;
- (d) how and when the Permit Authority proposes to evaluate that permit scheme so as to measure whether the objectives for it have been met;
- (e) the costs and benefits (whether or not financial) which the Permit Authority anticipates will result from that permit scheme;
- (f) the evidence considered by the Permit Authority when it decided to include any provisions in the permit scheme as to the fees which may be charged, and the reasons for its decision;
- (g) the date on or after which the Permit Authority proposes that the permit scheme should come into effect;
- (h) details of any transitional arrangements which the Permit Authority would wish to apply in relation to the permit scheme coming into effect; and
- (i) a summary of the responses received to the consultation undertaken under regulation 3 and of the changes made to the permit scheme following that consultation.

Weblinks to The Traffic Management Act 2004 and The Traffic Management Permit Scheme (England) Regulations:-

www.opsi.gov.uk/acts/acts2004/ukpga_20040018_en_1

www.opsi.gov.uk/si/si2007/uksi_20073372_en_1

Annex B

List of requirements for permit schemes in legislation and statutory guidance

Permit Application: Evaluation template

Authority				
		Name of authority	Type of scheme	Date received

Content checklist

No.	Ref	Subject	Yes/No	Reference
		Consultation		
1	r3(a)	Consulted all statutory undertakers and s50 holders in the area		
2	r3(b)	Consulted all authorities whose streets / areas are included or affected by the scheme		
3	r3(c)	Consulted TFL if the scheme is in London		
4	r3(d)	Consulted any PTE if the scheme covers their area		
5	r3(e)	Consulted the emergency services which operate in the area covered by the scheme		
6	r3(f)	Consulted the SoS (transport)		
7	r4(i)	The submission contains a summary of responses to the consultation and the changes made in the light of the consultation		
8	Sg25	There is a commitment to provide 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		
		Scheme objectives, design, cost-benefit analysis and evaluation arrangements		
9	r4(b)	The scheme states the objectives		

No.	Ref	Subject	Yes/No	Reference
10	Sg24	There is an explanation of the Permit Authority's chosen design for the permit scheme		
11	r4(c)	The scheme sets out how the permit authority will ensure non -discrimination between permit applicants		
12	Sg23	The scheme is designed to ensure, as far as possible, parity of treatment between both types of works by evidence of compliance with KPIs.		
13	Sg23	At least 4 KPIs are included in the scheme, including the two mandatory ones		
14	r4(d)	The scheme sets out how and when the permit authority will evaluate the scheme to ensure that the stated objectives are met		
15	r4(e)	The submission sets out the costs and benefits of the scheme		
		Coverage of the scheme		
16	r4(a)	The scheme lists all highway authorities with streets included in it		
17	r7(1)	The scheme states the area it will cover		
18	r8(1)	The scheme states the streets within the area that are included in the scheme		
19	r6(1)	The scheme states the types of works the scheme applies to		
20	Sg7	The scheme includes both highway and statutory undertakers' works		
21	Sg7	All works comprising "registerable works" in terms of the 2007 Notices Regulations under NRSWA are included in the scheme		
22	r9(2)	The scheme states which specified people or types of people do not have to apply for a permit, and in what circumstances		
		Implementation and transition		
23	r4(g)	The scheme states the date when the permit scheme is going to start operation		
24	r4(h)	The scheme sets out any transitional arrangements that the authority proposes to implement		

No.	Ref	Subject	Yes/No	Reference
		Compliance with general technical and definitional requirements		
25	Sg9	The scheme is set up to receive applications, issue notices and otherwise communicate electronically		
26	Sg21	The scheme is designed to operate in a manner which complies with the Technical Specification and follows its requirements		
27	Sg18	The scheme uses a nationally consistent street gazetteer system for identifying streets that is used under NRSWA		
28	Sg60	The scheme provides that a "street" refers to that length of road associated with a single USRN, i.e. to part of a whole street where a street is subdivided		
29	Sg19	The permit authorities street gazetteer is upgraded to level 3		
30	r33(2)	The permit authority is committed to creating and maintaining a register containing the names of each street included in the scheme and specifying whether such streets have been designated as protected, of special engineering difficulties, or traffic-sensitive		
31	Sg20	The permit authority is committed to maintaining a register in connection with their permit scheme containing information about all registerable activities on those streets		
32	Sg21	The permit authority is committed to ensuring that all the information held in permit registers is referenced to the Elementary Street Unit Identifier, and the Unique Street Reference Number (USRN) and that permit registers follow the street works equivalent by being GIS (Geographic Information System) based		
33	Sg8	<p>The scheme uses the same or equivalent definitions or requirements as are used in the NRSWA notice system for:</p> <p>Registerable activities/works</p> <p>Categories of activities/works (major, standard, minor and immediate activities/works);</p> <p>Street gazetteers, including street referencing by means of Unique Street Reference Number (USRN) and Associated Street Data (ASD)</p> <p>Street reinstatement categories as defined in the NRSWA Reinstatement Specification</p> <p>The distinction between main roads and minor roads, where such distinctions are relevant</p> <p>Streets designated as protected, having special engineering difficulty or traffic sensitive</p>		

No.	Ref	Subject	Yes/No	Reference
34	Sg 36	<p>The scheme defines major activities as works that:</p> <p>have been identified in an organisation's annual operating programme; or</p> <p>if not identified in that programme, are normally planned; or</p> <p>known about at least six months in advance of the date proposed for the activity; or</p> <p>other than immediate activities, require a temporary traffic regulation order; or</p> <p>other than immediate activities, have a duration of 11 working days or more</p>		
		Provisional Advance Authorisations		
35	Sg36	If the scheme requires a PAA for major works then the promoter should be required to provide the final detailed information in support of its application for a permit at least 10 working days before the activity is due to commence		
36	Sg38	The scheme incorporates a requirement for PAAs in relation to major permits only		
37	r11(2)	Where a scheme requires PAAs to be applied for it specifies the information that should be included in the application for a PAA		
38	Sg39	The scheme requires an application for a PAA to specify proposed start and end dates for the relevant activities, although the scheme should allow sufficient flexibility to enable the dates to be reasonably adjusted when a permit is ultimately issued		
39	Sg40	The information stipulated by the scheme to support an application for a PAA should be equivalent to, and certainly should not exceed, that required in support of an application for a permit		
40	r11(6)	Where a scheme requires a PAA to be applied for, it requires that a copy of the PAA is sent to a relevant authority or any other body having kit in the street when it is requested by that body		
41	Sg45	Where a PAA has been given but a full permit has not yet been issued, and proposals change, the scheme stipulates that the Permit Authority has to be informed of the proposed changes and a revised application for PAA or permit made		
42	Sg36	If the scheme requires a PAA for major works then the promoter should be required to provide the final detailed information in support of its application for a permit at least 10 working days before the activity is due to commence		

No.	Ref	Subject	Yes/No	Reference
		Immediate activities		
43	Sg36	<p>Immediate Activities are defined as emergency works as defined in section 52 of NRSWA, or activities (not being emergency works) whose execution at the time they are executed is required (or which the person responsible for the works believes on reasonable grounds to be required)—</p> <p>(i) to prevent or put an end to an unplanned interruption of any supply or service provided by the promoter;</p> <p>(ii) to avoid substantial loss to the promoter in relation to an existing service; or</p> <p>(iii) to reconnect supplies or services where the promoter would be under a civil or criminal liability if the reconnection is delayed until after the expiration of the appropriate notice period;</p> <p>This includes works that cannot reasonably be separated or severed from such works</p>		
44	Sg36	The scheme provides that the initial stage of immediate activities are exempt from requiring a permit		
45	Sg36	The scheme requires promoters of immediate activities to apply for a permit within two hours of the activity starting.		
46	Sg43	The scheme is able to link an immediate activity and the conditions attached to it prior to a permit being issued with the application for a permit for that immediate activity when it is made		
47	Sg48	The scheme is compliant with paragraph 48m of the SG (different procedures regarding immediate works and fault finding)		
48	Sg57	The ASD must be marked with any streets for which the scheme requires a promoter to ring the authority when starting immediate works		
		Other works requiring permits		
49	r9(1)	The scheme includes a provision requiring a permit to be obtained before specified works are carried out in a specified street		
50	r9(8)	The scheme provides that each phase of work requires a separate permit, e.g a separate permit would be required for interim and permanent reinstatements		
51	Sg36	Standard activities are defined in the scheme as those activities, other than immediate or major activities, that have a planned duration of between 4 and 10 working days inclusive		

No.	Ref	Subject	Yes/No	Reference
52	Sg36	The scheme stipulates that a standard permit is applied for 10 days in advance of works commencing		
53	Sg36	Minor Activities are defined in the scheme as activities, other than immediate or major activities, where the planned working is 3 working days or less		
54	Sg36	The scheme stipulates that a minor permit is applied for 3 days in advance of works commencing		
		Applications for permits		
55	Sg55	The scheme requires promoters applying for permits or PAAs to copy their applications to any authority or undertaker that has requested to see permit applications on certain streets		
56	r9(3)	The information that has to be included in a permit application is specified in the scheme		
57	r9(4)	The scheme requires that each application for a permit only covers one street		
58	r9(5)	The scheme requires each application for a permit or a variation of a permit to include an estimate of the likely duration of the works		
59	Sg61	The scheme requires a sufficiently detailed description of the activities to be provided to allow the street authority to assess the likely impact of the activity		
60	Sg62	The scheme requires promoters to include an accurate location in their application based on National Grid References (NGRs), one in the centre of the excavation for small excavations and one at each end of trenches, along with the dimensions of the space taken up by the activity in the street		
61	Sg63	The scheme requires each application for a permit to include proposed start and end dates, and should require applicants to indicate whether they wish the permit to cover work at weekends and on Bank Holidays (where applicable)		
62	Sg64	The scheme allows the Permit Authority to require the applicant to provide an illustration of the works (including plans, digital photographs etc) in appropriate cases. Activities on streets with Special Engineering Difficulty will in any case require a plan and section. This should include details of what the works are, whether they are likely to affect more than one lane of the street and if possible a numerical measure of estimated disruption		
63	Sg65	The scheme requires applicants to supply details of the planned techniques to be used, such as open cut, trench share, minimum dig technique or no dig		

No.	Ref	Subject	Yes/No	Reference
64	Sg66	The scheme requires applicants to supply details of their traffic management proposals, including any requirement for action by the local authority, such as the need for Traffic Regulation Orders (TROs), lifting of parking restrictions and approval for portable light signals		
65	Sg67	The scheme requires that activity promoters provide their best estimate of the excavation depth as part of the application		
66	Sg68	The scheme requires applicants to indicate whether the activity is intended to be completed with interim or permanent reinstatement or a mixture of both. If the latter, then details would need to be provided as to where interim or permanent reinstatements will be completed within that permit		
67	Sg69	The scheme requires applications to include the provisional number of estimated inspection units appropriate to the activity		
68	Sg70	The scheme requires all applications to include the contact details of the person appointed by the activity promoter to deal with any problems that may occur during the activity, including any provision made for out of hours contact by the promoter		
		Permit content and conditions		
69	r9(6)	The scheme provides for each permit to specify the duration within which the specified works on a specified street are by that permit authorised		
70	Sg32	There is a commitment to date permits in calendar days not working days		
71	Sg35	The scheme is designed so that in relation to category 0, 1, 2, and traffic sensitive streets the planned commencement date and finishing date for the activity are the start date and end dates respectively on the permit. The permit will not be valid before the start date on the permit and will cease to be valid once the end date has passed unless a variation is granted		
72	Sg35	The scheme is designed so that on category 3 and 4 streets that are not traffic sensitive, permit start and end dates should allow for flexibility in the start of the activity but once the activity is started it must be completed within the activity duration period specified in the permit. The starting window should be 5 working days for major and standard activities and 2 working days for minor activities		
73	Sg35	The scheme is designed to ensure that working at weekends or on bank holidays is reflected in the permit start and end dates		
74	Sg41	The scheme provides for permit conditions to be applied and specifies the types of conditions that will be applied		

No.	Ref	Subject	Yes/No	Reference
75	Sg41	The scheme provides that the permit will specify in detail the activity it allows and the conditions attached		
76	Sg41	The scheme provides that any constraints in the original application should be reflected in conditions in the permit		
77	Sg71	The scheme provides that an issued permit will contain all the conditions attached to the permit so that there is no ambiguity about the validity and terms of the permit		
78	Sg73	The scheme imposes standard conditions on permits which will require the permit reference number to be prominently displayed on the site information board for each set of works		
		Time limits for responses to applications		
79	Sg58	The scheme sets out times in which the permit authority will respond to applications for PAAs; and, variations of permits; and permit conditions		
80	Sg58	The time limits for the permit authority to respond to a permit application are as set out in the statutory guidance		
		Issue of permits: procedure		
81	Sg71	The scheme provides that permits will be sent to the promoter electronically through the EToN system		
82	Sg71	The scheme provides that the permit will be placed on the permit register and copied to any undertaker, authority or other relevant body that has asked to be informed about activities on a particular street		
83	Sg71	The scheme provides that a permit will be issued to the promoter for every permit that is granted		
84	Sg72	The scheme provides that all permits will be given a unique reference number (following the EToN numbering conventions)		
85	Sg72	The scheme provides that permits will be marked so as to indicate cross references to any linked permits which have also been issued		
		Revocation and variation of permits		
86	r15(1)	The scheme includes provisions to enable the permit authority to vary and/or revoke permits and permit conditions		

No.	Ref	Subject	Yes/No	Reference
87	r10(4)	The scheme provides that the permit authority can revoke a permit where it appears that the conditions have been broken		
88	Sg50	The scheme includes a statement of the Permit Authority's policy as to the circumstances in which it will review, vary or revoke permits on its own initiative		
89	Sg52	The scheme sets out the process by which: a promoter who no longer requires a permit for an activity can request the authority to revoke or cancel a permit that has already been issued; or cancel or withdraw an application that has been submitted but for which a permit has not yet been granted		
90	Sg46	The scheme sets out clearly how applications for variations to permits or conditions should be made. It provides that where the existing permit has more than 20% of its duration or more than two working days to run, whichever is the longer, the promoter shall apply for a variation electronically		
91	Sg46	The scheme stipulates that in any other case the promoter shall first telephone the Permit Authority to ascertain whether the Authority is prepared to grant a variation and only apply, again electronically, if the Authority is so prepared		
92	r15(2)	The scheme specifies the information that needs to be included in an application for a variation or revocation of a permit or permit condition		
		Other miscellaneous aspects of scheme content		
93	Sg94	Part 8 of the Regulations amend NRSWA section 58 (restrictions on works following substantial road works) and section 74 (charge for occupation of the highway where works unreasonably prolonged) for undertakers' works only. The scheme provides similar arrangements for highway authorities' works, in the interests of parity		
94		The scheme has taken into account any major known projects such as Cross Rail, Olympics, TIF projects, Thames Gateway projects etc		
95	r13	If a scheme has specified conditions and types of works where a permit does not apply, but still wants to apply conditions to these types of works, then the scheme specifies how these conditions are to be identified and how any variations applicable to these conditions will be brought to the attention of the undertaker		

No.	Ref	Subject	Yes/No	Reference
		Fees		
96	r4(f)	The submission provides the evidence considered by the permit authority when deciding on the proposed fee levels, and the reasons for their decisions		
97	Sg77	Permit fees are within the maximum specified.		
98	r30(2)	Where applicable the scheme sets out the range of fees that may be charged and the criteria which are taken into account when determining how the fee applicable is identified from the range		
99	Sg80	The scheme provides that where a permit variation would move an activity into a higher category, the promoter will be required to pay the difference between the permit fees for the two categories as well as the permit variation fee		
100	Sg82	The scheme provides that where through no action, failing or fault on the part of the promoter, the Permit Authority revokes the promoter's permit, no fee should be payable for the new permit		
101	Sg84	The permit scheme sets out the circumstances in which the permit fees are discounted		
		Joint schemes		
102	Sg14	For joint schemes, applicants show that they have fully discussed, and come to an agreement on, the way the scheme will be controlled and any fees apportioned		
103	Sg14	For joint schemes, the relevant authorities have appointed a person to be responsible for financial accounting in relation to such a scheme who is capable of issuing the relevant certificates under regulation 26(5)		
104	Sg14	For joint schemes, all applicants have demonstrated how each authority will meet their network management duty requirements		

Annex C

Writing an appraisal summary for inclusion in the application pack

Permit Schemes: Cost Benefit Analysis

The following gives brief details about how to calculate the costs and benefits of permit schemes. There is no requirement to use a specific methodology but, at the very least, good quality survey data should be available. This will be important for evaluation as well as appraisal. Within the text are hyperlinks which link to the relevant pieces of DfT guidance. Any queries on the following or other questions can be sent to maclean.okotie@dft.gsi.gov.uk.

Costs

All costs incurred due to the implementation of a permit scheme, once agreement has been given by the Department for Transport, should be included as part of the cost benefit analysis. These include -

- Operating costs (stand-alone and incremental) - consultants, in-house staff, maintenance/running cost etc
- Capital costs - Additional IT equipment, specialist software, accommodation etc

Any costs, including consultancy fees, incurred before scheme agreement is given by the Department for Transport should not be included in the cost benefit analysis.

Start-up costs should be included and if these include capital costs a risk adjustment and optimism bias should be applied. There is no requirement for a Quantified Risk Assessment for these schemes and suitable adjustments for risk and optimism bias would be 20% and 15% or a total adjustment of 38%.

Delays and Congestion

Reductions in street works will reduce the incidence of delays at site and reduce congestion as less diversion takes place. The benefits can be calculated using QUADRO, demand and supply transport models, or micro-simulation models. In the absence of these models good quality survey data based on recognised survey techniques can be used with standard values to give appraisal benefits.

For street works affecting inter-urban road users, the Department's **QUADRO** program should be used. For street works affecting urban road users, delays to traffic may be estimated by using the same congested assignment package as used to predict the overall traffic effects of transport schemes by changing link capacity. Models may also be useful for options affecting public transport users if significant diversion is expected during street works. The **TUBA** program may be used to value delays to road and/or public transport users, using standard economic parameters.

In other cases, simplified approaches to the estimation of delays to public transport users may be sufficient based on survey data. This should include time delays at road works per vehicle and the numbers involved. **DMRB Volume 14 Section 1 Part 2, The Valuation of Costs in QUADRO**, gives the values of time per vehicle together with the underlying assumptions about occupancy and the work, commuting and other non-work split to give these values. Where traffic diverts onto other routes to avoid street works survey data measuring the increase in traffic on these routes can be used to calculate decongestion benefits. These benefits unit costs will vary with traffic levels and the type of road, and thus it will be important to demonstrate that they are appropriate for the timing of the street works and road type being considered. Default unit costs by type of road and level of congestion are given in **WebTAG Unit 3.13.2** which contains links to working spreadsheets.

For street works that affect public transport, the impact on operators' revenues should also be considered. In the absence of a transport model, a simple elasticity based relationship could be used. A standard time elasticity is -0.9 which means that for every 1% decrease in travel time or delay there will be a 0.9% increase in demand. The increase in demand can then be multiplied by the fare to give the change in operator revenues.

Carbon (Greenhouse Gases)

If QUADRO or TUBA is not used then methods for calculating the changes in carbon emissions and values given in **WebTAG Unit 3.3.5** can be used.

Local Air Quality

In using any method valuations of changes in local air quality can be calculated using the unit costs given in **WebTAG Unit 3.13.2**.

Accidents

QUADRO gives outputs that contain accident reduction benefits. Reductions in accidents using survey data should use values given in **WebTAG Unit 3.4.1**.

Reliability

Reductions in street works will reduce the variability of travel times which road users are willing to pay for. **WebTAG Unit 3.5.7** gives guidance on how to appraise these reliability benefits. In the absence of modelled outputs on travel times and the variability of these travel times a simple mark up on travel time savings can be used depending on the levels of congestion. A suitable range for urban roads is 10% to 20%.

Road Maintenance Costs

Where street works are reduced a knock on effect could be a reduction in road maintenance. Road maintenance is a mixture of renewal and replacement. Options include low maintenance or renewal costs and frequent replacement or high maintenance or renewal costs and infrequent replacement. If the road maintenance cost savings are to be estimated they should be the savings from either extending the replacement period or reducing the level of maintenance but not both. If the whole life cycle approach to road maintenance is optimised there should be little difference between the two methods. If there is any significant difference then the lower of the two savings should be used in the appraisal. The level of maintenance and replacement periods should be consistent with current practice.

Pedestrians

For most main roads the impact on pedestrians is likely to be insignificant and for most purposes other than commuting any changes in journey time will have a very low value. If pedestrian benefits are to be counted they should only apply to commuters and based on rigorous survey evidence.

Appraisal Horizon

The standard appraisal horizons are 60 years or the life of the scheme. In the case of permit schemes the standard appraisal period is normally taken to be 25 years.

Reductions in Street Works

Until the results of evaluation schemes are known it is a standard assumption that permit schemes will reduce street works by 5%. A higher figure can be assumed if there are good evidence based reasons for doing so. Given the uncertainty behind these reductions any cost benefit analysis should have a sensitivity test which is “what is the level of reduction that would be needed to return a benefit to cost ratio of 2?”

Units of Account

If QUADRO or a transport model is used with TUBA outputs will be produced in a common unit of account so that costs and benefits can be directly compared. If survey data is used along with values given in the above, some adjustments will need to be made to put all values into a common unit of account, in this case market prices. To do this:

All revenues and capital costs should be multiplied by 1.209 to convert into market prices (time savings are already in market prices);

Any reduction in car kilometres will result in a reduction in excise duty and VAT which should be entered in the public accounts table (see below); and

Any increase in public transport use will result in a reduction in VAT (public transport is zero-rated) which should be entered in the public accounts table.

Discount Rate

A 3.5% discount rate should be used to convert all annual values to net present values and all annual values should be in real terms i.e. before allowing for inflation.

Reporting Tables

The results of the cost benefit analysis should be presented in a **Transport Efficiency Table**, an **Analysis of Monetised Costs and Benefits** table and a **Public Accounts** table. These tables, in particular the AMCB table, can be adapted to include benefits such as street works benefits.

Annex D

[INSERT PERMIT SCHEME NAME] UNDERTAKING:

This undertaking is made in consideration of section 37(9) of the Traffic Management Act 2004 and regulations 29 and 32 of the Traffic Management Permit Scheme (England) Regulations 2007 (SI 2001 / 3372) (“the regulations”).

THIS UNDERTAKING is given on [insert date]

BY:

[Insert name of highway authority] whose registered office is situated at [Insert address]

IN FAVOUR OF:

(2) The Secretary of State for Transport, Department for Transport, Great Minster House, 76 Marsham Street, London, SW1P 4DR.

I certify on behalf of [insert highway authority name] that the proposed fees payable under the [Insert permit scheme name] have been calculated in accordance with the Department for Transport Permit Fees Guidance (dated July 2008) (“the guidance”). To the best of my knowledge and belief, the permit scheme is compliant with the guidance and with regulations 29 and 32 of the regulations and the income from the proposed fees will not exceed the prescribed costs of operating the permit scheme.

[Insert highway authority name] undertakes to identify and evaluate the sums paid by way of fees and the prescribed costs of operating the scheme. The evaluation shall take place within 6 months of the coming into force date of the permit scheme and thereafter on an annual basis. Following each evaluation, if fee income has exceeded the prescribed costs, [Insert highway authority name] undertakes to make the necessary adjustments to fee levels for the subsequent year in order to comply with the regulations.

Signature.....

Name (block capitals).....

[Insert designation]

On behalf of [Insert highway authority name]

Date.....