

Reducing congestion on local 'A' roads

Department for Transport

RPC rating: **fit for purpose**

Description of proposal

Works undertaken by utility companies and local authorities cause congestion and disruption on local 'A' roads. The Department's objective is to reduce the duration of, and disruption caused by these works. The Department's preferred option is to require that work is either continued at weekends on local 'A' roads, where a work-site is in place, or removed over the weekend. This option also requires that temporary traffic lights are removed promptly after works are finished. The Department also considers a voluntary alternative and applying a permit scheme to all local authorities. The proposal is intended to reduce congestion and its associated costs.

Impacts of proposal

The Department estimates that 72 percent of works on roads are carried out by utilities businesses, with the remaining 28 percent of works being carried out by local authorities or the Highways Agency.

Costs

Under the preferred option, businesses and local authorities will incur costs from either removing works from local 'A' roads over weekends, or continuing works through weekends. Businesses and local authorities that decide to clear works at weekends will incur costs from employing staff and materials to carry out temporary clearance and reinstallation at the start of the next working week. The Department estimates that this would take half a day for a minor or standard work, and one full day for a major work. Businesses and local authorities that decide to continue works at weekends will incur higher labour costs and uplifts for obtaining materials. Based on evidence gathered through informal consultation, the Department estimates that the labour uplift for Saturday working is 25 percent and for Sunday working is 50 percent, and that there will be a 20 percent increase in costs for weekend availability of hot bituminous materials.

The Department explains that businesses and local authorities will also incur transition costs from updating the Electronic Transfer of Notices (EToN) system,

used in planning the closure of roads for works, and in training contractors in the handling and removal of traffic lights.

All parties are also expected to incur familiarisation costs.

The Department estimates that the time taken to clear and reinstall works will extend the duration of a work by up to 15 percent. This will result in additional congestion. The Department explains that weekend works may increase noise pollution.

The Department explains that under the preferred option, local authorities will incur costs from employing additional staff at weekends to check that businesses are complying with the requirements.

Benefits

The Department explains that reducing congestion from works will benefit businesses that rely heavily on the use of roads, for example by alleviating access problems and reducing the extent to which employees are delayed in reaching their place of work.

The proposal will also benefit the wider public and economy by generating travel time savings, reducing the risk of accidents at road works, fuel carbon emission savings, and reduced losses of Government indirect tax revenues.

The Department explains that although it is currently unable to quantify the impacts of the proposal, initial analysis and informal consultation with stakeholders suggests that the costs to business will be greater than the benefits. As a result, the Department expects the proposal to be a qualifying regulatory provision (IN) that will score under the business impact target (page 18).

Quality of submission

The Department has assessed three options, including a voluntary option. The Department expects that take-up would be very limited under a voluntary option, as this would require commercial organisations to incur costs without experiencing direct benefits. The Department, therefore, expects that a voluntary option “*would achieve a limited outcome*” (page 1). This appears reasonable. The Department also assesses the option of requiring all English local authorities to operate a permit scheme. The Department explains that this will impose costs on local Authorities from developing a business case, while businesses will be expected to carry out more detailed planning and incur a permit fee each time they need to undertake work. The Department should test this option at consultation, and provide evidence

and analysis at final stage to justify whether or not it is chosen as the preferred option.

At this stage, the Department does not have sufficient evidence to be able to monetise the impacts of the proposal. In particular, the Department does not have data on the number of works left un-resourced at the weekends, and hence the number of businesses that would incur costs under the proposal. However, the Department has provided an indicative assessment of the impacts of the proposal, and quantified these where possible. The IA has identified where key data is required, including savings from reduced congestion and uplift costs for labour and materials (paragraph 105). The Department should use the consultation to gather further evidence and to test the assumptions concerning the expected impacts of the proposal with stakeholders, for example, on whether one full day will be sufficient to clear major works (paragraph 45).

The Department explains that local authorities may need to carry out more inspections under the requirements. The final stage IA should discuss any costs this will impose on businesses.

The final stage IA should also provide a clear explanation as to whether the benefits to business from reduced congestion are considered to be direct or indirect. The Department has not explicitly stated a view on this in the current IA. It appears to be the case that congestion benefits to road-related businesses (e.g. taxis, lorries, coaches) should be classified as direct, and the benefits to other businesses (where these exist) whose employees may arrive at work earlier or have other travel savings (i.e. productivity benefits), should be classified as indirect. The final stage IA should also discuss the extent to which the Department expects work to be carried out at weekends and hence when and to what extent it expects congestion to be reduced, and any benefits to business realised.

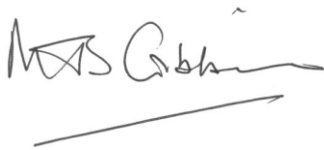
The Department expects contractors to pass on the cost burden of the proposal to utility companies. The Department has explained: “*there are no utility companies undertaking street works that would fall into the category of small (<49 employees) or micro businesses*” (page 18). Therefore, while some contractors may be small firms, the Department expects that small and micro businesses will not be disproportionately affected by the proposal. The Department explains that they will seek further evidence on these assumptions at consultation. This evidence and analysis should be presented in the final stage IA.

Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net cost to business (EANCB)	Not monetised at this stage
Business net present value	Not monetised at this stage
Societal net present value	Not monetised at this stage

RPC assessment¹

Classification	Qualifying regulatory provision (IN)
Small and micro business assessment	Sufficient



Michael Gibbons CBE, Chairman

¹ The RPC verification of the estimated equivalent annual net cost to business (EANCB) and assessment of whether the measure is a qualifying regulatory provision are based on current working assumptions.