

Scoping Document

Title: Potential Oxfordshire Lane Rental Scheme Scoping Document
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Purpose of this Document

This scoping document describes the potential impact of a Highways Lane Rental Scheme in terms of the current business problem it will solve and the anticipated impact it will have when implemented.

This scoping document also provides an appropriate level of assurance that there is a solid and robust framework within which the project can be approved and delivered.

The document excludes technical and financial detail, particularly detailed calculations in the Cost Benefit Analysis, which will be provided in associated documentation during the scheme development phase.

However, key requirements, assumptions, conclusions and impacts are included.

Lane Rental Introduction

A Lane Rental Scheme introduces a mechanism of charging any works promoter carrying out works in the highway for the time (days) those works occupy the highway.

Charges are focused on the very busiest streets at the busiest times of day.

Charges apply to works promoted by both Utility companies, the Local Highway Authority and developers under Section 50 arrangements and Section 278 works on the local highway network.

By introducing a daily charge of up to £2,500 two key impacts are anticipated.

- Promoters of works will be incentivised to reduce the amount of works that take place at busy times on the busiest parts of the network to minimise the charges incurred. This means Promoters will be incentivised to work outside of Traffic Sensitive Times (often the morning and afternoon peaks), so charges are not incurred. These reduced busy period occupations of the highway, by working between busy times, out of hours, overnight or at the weekends, where appropriate, will reduce the disruption on the highway network and reduce the corresponding cost to society of this disruption.
- If Promoters do not change their behaviour and carry on working at busy times the Highway Authority will collect Lane Rental charges that are more aligned to the cost of the disruption caused. This Lane Rental charge revenue will be invested into improving works operations and delivery reducing their impact and/or reinvested into the highway network infrastructure, improving it and compensating society for the disruption caused by the original works.

The introduction of a Lane Rental scheme will deliver a level of change that will lie somewhere between these two scenarios delivering both behavioural change, reducing the cost of disruption to society and compensatory revenue that will be reinvested back into works operations and the highway network, improving its effectiveness.

Scope of the Current Problem

The base assumption is that there is an effective Permit Scheme in operation and that it has achieved its objectives around, co-ordination, consideration, traffic management and agreed working conditions, but durations are still too high and too many works are being undertaken during Traffic Sensitive times.

The operational Permit Scheme delivers co-ordination effectively however as there is no cost associated with the length or timing of the works so there is no financial incentive to change timings or reduce the numbers of days taken to complete the works.

Works are being permitted and co-ordinated effectively and this has resulted in the network being managed to the best of the Permit Team's ability with the tools available to them.

However, works durations and busy period occupations are considered to be too high and by introducing financial incentives, better working practices, improved scheduling, enhanced working techniques and greater use of technology, they can be reduced.

Calculations indicate that disruption on busy roads can cost society over £100,000 per day and circa £15,000 for just the busy morning or afternoon periods.

The average Utility Major Works durations are often 18 days.

Average duration of works by permit type.

Activity Type	Example Average Durations
Major	18
Standard	7
Minor	3
Immediate - Urgent	3
Immediate - Emergency	5

Scope of the Opportunity Lane Rental Presents

The central assumption of a Lane Rental Cost Benefit Analysis is that the introduction of the Lane Rental Scheme will potentially cause a 50% reduction in busy period occupations counted as durations on the most congested 5% of the network.

This is based on the trials in Kent and Transport for London (TfL) have indicated that durations are reduced by between 25% and 50% depending on the charges applied.

For maximum impact maximum charges of £2,500 per day need to be applied as the assumption is that reduced charges deliver less incentive and therefore less of the behavioural change sought and less of the subsequent societal benefit desired. This is borne out by the findings in Kent and TfL.

These Lane Rental charges are more aligned to the cost of disruption. If works carry on as before during busy periods this new revenue will be reinvested back into the highway network improving it and compensating society for the disruption caused by the works.

The financial incentive is designed to encourage works promoters to work faster, longer days or at different times, whenever possible, such as during the quieter periods of the day, evenings, weekends and during holidays periods.

Please note that actual calendar day durations can increase due to Lane Rental. For example, if works were undertaken for 8 hours per day and the works need 24 hours to complete this will take 3 calendar days.

By moving them to the quiet period between 10am and 4pm, for example, providing 6 hours per day, the works will take 4 calendar days to complete. However, the works will not impact the network during the busy periods (rush hour) greatly reducing the disruption cost to society providing a net benefit.

Also, Promoters may wish to carry on working during the busy periods but complete the works faster by applying more resources or different techniques. In the above example the 24 hours required to complete the works could be done in 2 days by working from 7am to 7pm.

Lane Rental Streets

Lane Rental streets are a subset of the existing Traffic Sensitive Streets list.

5% of the network (streets) is the DfT's assumed base line percentage the Lane Rental scheme can operate on.

Additional streets can be included with appropriate justification, however, the 5% is used for these initial assumptions. These are streets such as critical tourist routes or surrounding a critical junction. These streets may not be the busiest in terms of pure traffic flow but still require special attention and consideration due to their sensitivity.

5% of the network equates to 690 streets in Oxfordshire.

Incentivising Collaborative Working

In addition, the financial incentive is also expected to increase the opportunity for two or more Promoters to collaborate on their activities to reduce the overall occupation of the highway.

The DfT expects that collaborative works that are carried out concurrently by two or more works Promoters at the same location can apply to have charges reduced for the period of collaboration.

In such circumstances, where works are carried out at the same location by two or more Promoters concurrently, the daily charge rate will be split between the associated Promoters following confirmation and acceptance in writing by all parties.

In some instances, charges may be reduced for collaboration where the works originate from two distinctively different operational divisions of the same organisation.

Reducing Remedial Works

Works that are classed as remedial, as in they are being worked on for a second time to meeting reinstatement requirements, will always be charged at the maximum charge. This is designed to encourage works promoters to complete the works to the required standard during the initial works period.

The revenue generated by the Lane Rental charge can also be invested in the development and trials of new working techniques or technology that will benefit the works promoters supporting the drive to reduce durations.

Summary

In summary, a Lane Rental scheme encourages Promoters to:

- Carry out more works outside of peak times
- Make greater use of weekend and evening or overnight working where the local environmental impact was acceptable
- Extend the working day to shorten durations
- Improve planning, co-ordination and working methods
- Complete works to the required standard first time reducing the need for the works undertaker to return to the site to carry out remedial work

Functional Scope

The DfT states that 'The permit scheme will continue to play a crucial role alongside lane rental charges, not least because of the need to ensure that works taking place on the busiest streets and properly co-ordinated.'

The Permit Scheme will continue to deliver its functional role in the co-ordination and permitting of works in the street.

However, works that take place on Lane Rental streets will not be charged a Permit Fee but a Lane Rental charge instead.

This will mean that the cost of operating factors and staff time delivering Permit Scheme functions will not be covered by Permit Fees in these instances.

However, the cost of the staff time and overheads etc will be met from the new Lane Rental charges instead.

There will also be a slight increase in the number of works co-ordinated as Section 50 and Section 278 works (not Utility or Highway works but usually developer promoted) are included in the Lane Rental Scheme.

Scope of Highway Network Traffic Sensitive Streets

It is anticipated that, depending on the extent of changes and developments to the highway network, the list of Lane Rental streets will be reviewed every one (1) to three (3) years.

This is to ensure that the lists are always appropriate and take account of changes to the highway network such as a bypass changing a congested high street into a quiet shopping area.

The methodology used to initially identify the core 5% list of lane rental streets and the additional streets included with appropriate justification, will be repeated.

Scope of Charges

To calculate the charges, other than for immediate activities, the duration of the activities shall begin on the date specified in the actual start of works notice and end on the date specified in the works stop notice, the date activities ended.

For all types of immediate activities, the charges may apply on and from the second or third calendar day of occupation – taking the works start as stated within the relevant permit application and ending on the date stated on the relevant Section 74 works clear or works closed notice.

Section 74 overrun charges will apply in accordance with the Section 74 Regulations following the end of the agreed reasonable period, in addition to the Lane Rental charges.

Lane Rental charges will be applied to activities which obstruct the specified locations during the Lane Rental times.

It is anticipated that charges will **not** be payable in the following circumstances:

- Charges will not apply if the activities take place outside of the Traffic Sensitive Streets specified times
- Charges will be waived for the first 48 hours from the start of the activities beginning of genuine immediate activities
- Charges will be waived for activities undertaken on Sundays, Bank Holidays and Public Holidays, including Good Friday, Easter Sunday, Easter Monday, Christmas Day or Boxing Day
- Charges will be waived for activities which are confined to a verge with no impact on the carriageway, cycle track or footway at the specified location
- Charges will be waived for activities in the footway of a specified location, at a specified time, so long as the works do not involve breaking up the street or tunnelling or boring under it

- Charges will be waived for activities that are diversionary works as defined in the Oxfordshire Permit Scheme document; and
- Charges will be waived for activities required for replacing poles, lamp columns or signs

The Highway Authority retains the option to waive or reduce Lane Rental charges at its discretion.

Consideration will be given to reducing charges for major works that deliver significant highway infrastructure improvements, substantially extend/renew the longevity of an asset, or future proof a highway to protect it from being excavated again.

Scope of Discounts Available

The charges will not exceed the maximum charges as set by the DfT, which is £2,500 per day.

If an activity footprint spans more than one Band of charging at any time during the duration of the activities, then the higher Band daily rate of charge will apply.

Potential Lane Rental Charges and Discounts are below.

Considerable discussion will be needed to agree these charges internally and with stakeholders.

Potential Lane Rental Charge Bands	Lane Rental Charge Discount Applied	Full Day Charge	½ Day Charge
Band 1 (Single Carriageway or Road Closure)	0%	£2,500	£1,250
Band 2 (All Carriageway Remedial Works)	0%	£2,500	£1,250
Band 3 (Single Lane of Multi or Dual Carriageway)	20%	£2,000	£1,000
Band 4 (Cycle Track)	40%	£1,500	£750
Band 5 (Footway)	70%	£750	£500

Assumptions to be Used

The base assumption is behaviour changes resulting in 25% and 50% of works being exempt from charges. This means that either 25% of works will be moved to quieter times or undertaken faster or 50% of works will be moved to quieter times or undertaken faster.

To calculate this a reduction in the average duration of works by category will be used, in line with DfT guidance.

Anticipated Revenue Scope

Anticipated revenue is based on a percentage of the number of Traffic Sensitive Streets and the number of works that occur on them being subject to Lane Rental charges.

The top 5% of congested streets in Oxfordshire have an estimated 27% of overall works undertaken on them.

The annual number of works on Traffic Sensitive Streets is estimated to be circa 7,765 and these generate a Permit fee currently.

Following introduction of the Lane Rental Scheme potentially 6,235 will continue to generate a Permit fee.

5% of the total network equates to 27% of the TSS network. This 27% is carried across to the TSS works volumes giving the anticipated Lane Rental volumes.

This equates to potentially 1,530 works per year that would incur Lane Rental charges.

Number of USRNs (A)	13,793	
Number of Traffic Sensitive Streets (B)	2,533	
Current % of Network TSS	18%	
Lane Rental Target 5% of Network (C) = (A*5%)	690	
% of TSS that are Lane Rental (D) = (C/B)	27%	27%
Major Works	1,017	277
Standard Works	1,179	321
Minor Works	3,424	932
Immediate / Urgent Works	2,145	584
	Total	2,114

Average works durations are below, along with the corresponding assumed reduction in durations following the introduction of the Lane Rental scheme.

As the extent of behavioural change is not known, two levels of impact from introducing the Lane Rental scheme have been calculated based on the findings of the trial schemes in TFL and Kent.

Potential Behavioural Changes

- An increase in the overall duration of works on Lane Rental Streets due to reduced efficiency (shorter days etc).
- A decrease in the overall duration of Immediate works on Lane Rental Streets to avoid charge periods.
- A percentage of Immediate works being completed before charge periods apply
- A number of works being undertaken outside the Lane Rental Charge periods, such as out of hours (not charged).
- A number of works being undertaken in a way that triggers a waiver, such as the use of new technology.
- A number of works being undertaken in a way that triggers a discount, such as collaborative working.

Potential Revenue

Following the introduction of the Lane Rental scheme, the impact on durations equate to a total of 5,014 chargeable works days. At the daily charge rate of £2,500 indicate a potential revenue of circa £12.5m.

The anticipated behavioural changes that trigger waivers and discounts reduce the potential revenue to circa £3.4m.

Therefore, if promoters adopt different working arrangements/practices, then they can reduce their potential Lane Rental charges by circa £9m.

It is anticipated, based on the experience of trial schemes, that immediate / emergency works will be provided with a 2 day free of charge period so they can be completed without incurring a Lane Rental charge.

It can therefore be seen that the greater the behavioural change the less revenue is generated from charges.

This puts the Promoters in charge of how much they choose to change their behaviour so mitigate Lane Rental charges.

If Promoters choose not to change their behaviour, then all works that are undertaken on Lane Rental streets at Lane Rental times could incur a charge and the revenue will be at the higher end of the scale.

Operational Costs Scope

To ensure consistency of approach the cost of operations and staff time relative to the anticipated volume of works on Lane Rental streets has been identified using the same DfT methodology employed Permit Schemes.

Initial headline budgeted internal operational costs breakdown.

Ongoing Annual Operating Costs	
Start-up Cost Centre	Year 1 +
KPI Production / Evaluation	£80,000
Invoicing	£100,000
IT support	£50,000
Unauthorised / Abandoned works	£30,000
Management Overhead	£50,000
Staff Costs (Permit Scheme recharge + additional staff)	£600,000
Totals	£910,000

Risks Identified and Mitigation

The main risk to this initiative is that the level of anticipated behavioural change cannot be precisely defined. Therefore, the actual revenue and total associated management costs of operating the Lane Rental scheme cannot be precisely defined.

However, the risk is extremely low as works that are undertaken are either during Lane Rental times or not. Therefore, a Lane Rental Charge is applied or an existing Permit fees is applied.

With regard to revenue, the worst case scenario is that all works are moved to non-Lane Rental times and therefore no Lane Rental revenue is received. In this is case the Permit Scheme will continue and all staff will be funded from Permit fees.

However, in this scenario there will be a substantial positive impact on the highway network with unprecedented reductions in disruption and a substantial net gain to society.

The more likely scenario, as seen in the trial schemes, is that there will be a range of behavioural change impacting between 25% and 50% of works. This will deliver substantial

new revenue that will be reinvested back into the highway network after covering all operational and management costs.

At implementation, the additional Lane Rental scheme resources will be integrated into the Permit Team.

The new Lane Rental Scheme will require additional staff to undertake a number of new and enhanced business processes including additional monitoring of works starts and stop days and times, additional checks on compliance with the working conditions agreed such as traffic management and location, additional processes supporting invoicing and debt management and reporting.

Further additional resources will be applied to enhanced co-ordination of the Councils own works to support charge mitigation efforts, reducing the occurrences when the works are undertaken at Lane Rental charge times.

All ongoing operational costs will be reviewed annually and aligned to the new Lane Rental revenue.

Own Works Charges Scope

Lane Rental charges will be applied to the Councils own works if they are undertaken on Lane Rental streets as Lane Rental times.

The total number of Utility, Council and Developer works potentially impacted by the scheme is anticipated to be circa 2,000 of various types and durations.

On average, 20% of the total volume of works are undertaken by the Councils.

Applying this percentage to the total anticipated revenue the cost of Lane Rental charges to the Council could be £600,000.

However, there are two mitigating factors.

- With the introduction of the Lane Rental scheme there is driver to better manage the Council's own works so that they planned and undertaken outside of the busiest times on Lane Rental streets. This is a positive improvement in works scheduling and will reduce disruption on the network.
- Secondly, the Lane Rental Scheme charges policy, to be developed with stakeholders, could state "Consideration will be given to reducing or waiving charges for major works that deliver significant highway infrastructure improvements, substantially extend/renew the longevity of an asset, or future proof a highway to protect it from being excavated again."

A considerable amount of Council works fit these criteria so would not be subject to Lane Rental charges.

Surplus Revenue Scope

Lane Rental scheme operating and evaluation costs can be deducted from the Lane Rental revenue.

Surplus revenues, after deducting running costs, can only be used for projects intended to reduce disruption on the network or other adverse effects arising as a result of street works and examples are given in the DfT guidance.

Surplus funds can be used for either capital or revenue projects.

The application for a Lane Rental scheme made to the Secretary of State will detail the governance arrangements that will be put in place for dealing with surplus revenues.

Scope of the Net Gain to the Authority

Lane Rental charges will apply to Council works and potentially £600,000 per year.

These charges will reduce the amount of available funds from existing budgets to spend on highway maintenance and capital projects.

However, revenue is anticipated to be in the region of £3.4m to £12.5m which will be reinvested in the highway network after the deduction of operating costs.

Operating costs are anticipated to be circa 25% of revenue. Split between internal operating costs and the costs of operating the Surplus Revenue Group, monitoring and managing the surplus revenue spend.

After operating costs, the net gain in funds spent on the highway network is anticipated to be in the region of £2.5m to £10m per year based on the core assumptions used in the financial model.

This is potentially an extremely positive outcome and a considerable level of compensation returned to society for the disruption these essential works cause.

Surplus Revenue Distribution Scope

The Regulations require that the surplus Lane Rental revenues, after deduction of running costs and costs of carrying out scheme evaluation, are applied by the Local Authority for purposes intended to reduce the disruption or other adverse effects arising as a result of road and street works.

The legislation sets a number of important boundaries within which all schemes will have to operate, including the purposes for which the Highway Authority may use the surplus Lane Rental revenues generated from a Lane Rental scheme.

Surplus Lane Rental revenues can be used for either capital or revenue projects.

Capital expenditure is a one-time investment of money and generates future economic benefits and includes land, buildings and equipment, which will be of use or benefit in providing services for more than one financial year

Revenue expenditure frequently generates benefit for the current year only.

Local Authorities are expected to establish joint working arrangements under which both the Highway Authority and works promoters are actively involved in deciding how net surplus Lane Rental revenues are applied, and demonstrate the governance arrangements put in place to ensure compliance with the legislation.

To ensure transparency, the Regulations require Local Authorities to keep and publish accounts of the revenues generated and how they have been spent.

The Secretary of State expects Local Authorities to apply the same principles to any net surplus Lane Rental revenues generated in respect of their own highway works, consistent with the "parity" principle set out in the Network Management Duty Guidance.

There are a number of issues to address and opportunities to realise when considering the management, monitoring and distribution of surplus Lane Rental revenues.

- The Secretary of State expects Local Authorities to apply the "parity" principle set out in the Network Management Duty Guidance
- The management of the revenues from the Lane Rental scheme must be separate from other Council revenue
- The trial scheme in London has a group made up of representatives from TfL and Utility companies who approve bids for funding and oversee delivery of the projects

and the DfT believe this is an effective way to govern the management of the fund and would like to see it used in other areas

- The trial scheme in Kent employs a Board of Governors comprising a Chair, Treasurer (who is a Kent County Council employee) admin support and service representatives from each of the utility areas of water, gas, electricity and communications and Kent County Council Highways
- Utility stakeholders have stated that they are seeking improved governance of surplus revenues generally and robust scrutiny of the decision making process and subsequent impact assessments of funded projects as Lane Rental is adopted more widely
- Any organisation can apply for funding for their idea or project and the process needs to be open, easily assessable, supportive and transparent
- The funding body must be seen as independent and representative of both the Highway Authority and all other works Promoters
- The process of Lane Rental surplus revenue funding distribution is potentially very complex and time consuming
- There are limited staff within the Highway Authority to manage funding applications and the subsequent project monitoring and impact assessments
- A specific set of skills is required to assess applications for funding and prepare or analyse cost benefit analysis
- A specific set of skills is required to assess projects whilst there are underway, which is a requirement
- A specific set of skills is required to assess projects after completion and the impact they have had compared to the objectives, which is a requirement
- There is an opportunity to seek additional or match funding above the Lane Rental surplus revenue depending on the type of project and legal status of the organisation managing the funds
- As Lane Rental schemes grow within regions there are opportunities to increase efficiencies from the management of the surplus revenues from multiple schemes, depending on the legal status of the organisation
- There are opportunities to work across Local Authority borders for regional benefit.
- When projects cross local boundaries the benefits seen in each geographical area must be proportional to the surplus Lane Rental revenue generated in that area

Following consideration of these issues and opportunities, discussions will be held about the most appropriate mechanism to deliver this.

Surplus revenues will be applied towards initiatives that are associated with, and aligned to the objectives of the Council, within the areas shown below.

- Investments in innovation and developing new disruption saving products, services or techniques
- Trials of new disruption saving products, services or techniques
- Transportation
- Installing infrastructure to enable apparatus to be accessed without disruption
- Measures to improve systems and records
- Measures to improve noise, pollution or safety relating to activities

- Measures to mitigate congestion and disruption caused by activities, particularly major projects
- Enabling infrastructure
- Industry practices and research and development

Scope of the Societal Benefit

The development of a detailed Cost Benefit Analysis (CBA) is a requirement as part of the application to the Secretary of State for a Lane Rental Scheme Local Order.

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

Oxfordshire County Council will incur the capital and operating expenditure with the capital cost for the first year only.

Revenue is derived from the Lane Rental charges to works promoters.

The CBA will determine the following potential key impacts of the Oxfordshire Lane Rental Scheme:

- The total number of works potentially impacted by the scheme of various length and duration
- The annual delay cost for Road works undertaken in Oxfordshire including a 20% uplift in time reliability costs for urban roads
- The number of days saved with a 25% reduction in durations

Over a 25 year assessment, as required by the DfT, and assuming a minimum 25% reduction in durations the societal financial benefit will be identified along with costs over 25 years.

A breakdown of benefits consistent with WebTAG will be prepared. Benefits Summary Values and Percentage 25% reduction in work durations over 25 Years.

Impact Sensitivity Scope

A series of sensitivity tests will be performed on a 25-year appraisal of societal impacts to further understand the economic impact of the Lane Rental Scheme at different levels of behavioural change.

The Highway Authority central case assumption a behavioural change driven by the charges that will create a 25% reduction in work durations.

This base assumption will produce a Benefit Cost Ratio.

In addition, a series of sensitivity tests have been performed on the 25-year appraisal of societal impacts to further understand the level of behavioural change required to achieve various Benefit Cost Ratios.

Scope of Annual Assessment and Review

The Government's expectation is that a robust evaluation plan will be built into any proposed Lane Rental scheme that is submitted for Secretary of State approval.

The Evaluation Report will inform central government's overall assessment of the effectiveness of Lane Rental schemes nationally.

The Lane Rental Scheme will be evaluated on an annual basis. The first evaluation report will cover a full year from the commencement date specified in the Statutory Instrument / Lane Rental Scheme Order.

Part of the assessment will be a review of the Lane Rental streets lists.

In the interests of parity and transparency, representatives of both the Council and Promoters will be actively involved in monitoring and the evaluation process.

The Regulations permit a portion of Lane Rental revenues to be applied for the purposes of Lane Rental scheme evaluation.

The evaluation plan includes provision for independent evaluation of the Lane Rental scheme performance, including an assessment of the overall balance between costs and benefits arising.

The Evaluation Plan is based on the principle that the original Cost Benefit Analysis is repeated using actual data produced over the initial and following years of operation.

Actual impacts and benefits are therefore calculated in a manner consistent with the original assumptions.

The principal success criteria is delivery of the benefits arising from the Lane Rental scheme, which are initially defined as:

- Reductions in disruption and congestion delay for road users where activities are carried out in a less disruptive way, benefiting both business users and private individuals
- Improved journey time reliability for road users where activities are carried out in a less disruptive way, benefiting both business users and private individuals
- Revenue generated by the Lane Rental scheme. The regulations require the revenue generated from Lane Rental to be applied to measures that will help to reduce the disruption caused by future activities. Such measures would be expected to deliver further benefits to Promoters, activities undertakers and road users
- Environmental benefits. By reducing the congestion arising at activity sites, the Lane Rental scheme has the potential to reduce road transport-related emissions – particularly local air quality pollution that is exacerbated by stationary or slow, stop-start traffic

Legal scope

The New Roads & Street Works Act 1991 (NRSWA), as amended by the Transport Act 2000 and the Traffic Management Act 2004 (TMA), contains provision for highway authorities to operate Lane Rental schemes that involve charging Promoters for the time their works occupy the highway network.

The regulations are the Street Works (Charges for Occupation of the Highway) (England) Regulations 2012 ("the Regulations") made under Section 74A of NRSWA.

NRSWA provides the legal basis for Lane Rental charges to be applied to street works. It does not require Lane Rental schemes to impose charges in relation to highway works.

However, the Network Management Duty does not distinguish between different causes of disruption.

The statutory guidance establishes a clear principle of "parity". Applying Lane Rental charges to highway works on the same terms as to street works will maximise the overall benefits, as well as promoting fairness by ensuring parity of treatment.

The proposal to operate a Lane Rental Scheme must be made to the Secretary of State.

Approval will be given on condition that a Permit Scheme is in operation and is seen as 'best in class', where.

- Permit fees are proportionate
- Discounts are offered for joint working
- Full compliance with regulations and guidance can be shown
- The scheme fully supports the delivery of national infrastructure projects

The Secretary of State application for the Lane Rental Scheme must demonstrate that.

- The scheme is applied to the Authorities own works
- Charges are used to provide incentives to work outside of peak times
- Charges are waived for joint works
- Caps were put in place for major works to replace apparatus

Implementation of the Lane Rental Scheme must include a process where.

- Promoters are notified (12 weeks) of the planned implementation date
- The scheme is trialled for a period of time before 'going live'
- The scheme is reviewed annually to ensure impacts are being realised

Data scope

Prior to identifying appropriate Lane Rental Streets and preparing a CBA a review of the Traffic Sensitive Streets network may be required along with the necessary consultation and Gazetteer updates.

Baseline data on the performance of the Lane Rental scheme will be collected within the Permit Scheme data collection processes.

Addition evaluation and reporting is required for the Lane Rental scheme and this is predominantly focused on how the revenue from charges is allocated, spent and monitored.

Technical scope

IT systems have been changing recently with the Governments introduction of the Street Manager system that provides a system for managing and co-ordinating streets works along with issuing Permits.

Discussions are ongoing as to the extent of how Lane Rental will impact systems.

There are also business process changes within the Highway Authority that will be made to accommodate the new charges and increased level of monitoring required to ensure revenue is realised.

The Lane Rental Scheme will operate alongside the existing Permit Scheme to ensure that works taking place on the busiest streets are properly co-ordinated.

There are business process changes within the Highway Authority that will be made to accommodate the new charges and increased level of monitoring required to ensure all charges are applied and revenue is realised.

Environmental scope

An underlying principle of a Lane Rental Scheme is incentivising the Promoter of works to undertake their essential works at less disruptive times.

This is focused on, where possible and if economically viable, working outside Traffic Sensitive times. This may be working between the rush hours or during evenings, weekend and even overnight.

However, if works are moved to times outside the normal working day, such as overnight, there must be consideration of the impact this will have on people who live in the vicinity of the works.

To ensure this consideration is given appropriately, professional(s) from the local authority environmental health (EH) departments are engaged in the design of Lane Rental Proposals.

In the Lane Rental Guidance January 2012, Section 3.18 states; In determining when charges should apply, authorities will need to consider carefully the role of local authority environmental health (EH) departments. EH departments have powers under the Control of Pollution Act 1974 (CoPA) to control the noise from construction works. Relevant guidance is provided in British Standard 5228:2009. In residential areas, EH departments may restrict works that cause substantial noise or vibration from being carried overnight.

Also, Section 3.21 states; Seeking prior consent from the local EH department under section 61 of CoPA would provide certainty over such matters as the permissible hours of working, the methods of working and any noise or vibration limits to be met. EH departments must not impose unnecessary constraints, and there are mechanisms in place in CoPA to challenge the approach of an EH department should the constraints imposed seem unnecessarily restrictive.

The Utility Promoters have stated that there can be a conflict between the team within the local authority co-ordinating works and the local authority environmental health departments. For example, it is agreed that the works should take place overnight to minimise disruption on the highway, but this causes complaints from residents and intervention by the environmental health department putting the Promoter in the middle of competing interests.

Therefore, the key requirements for the Lane Rental scheme in this regard are:

- The local authority environmental health department is integral to the development of the Lane Rental scheme.
- The local authority co-ordination team are aware of the requirements placed on works delivery teams when operating outside normal hours.
- Where possible, the EH requirements for Lane Rental streets defined by the environmental health department.
- The EH requirements are agreed by all and documented so they are easily accessible by those in need of this information.
- The works promoters are aware of the EH requirements on Lane Rental streets before making decisions to work outside normal working hours.

Geographical scope

The Lane Rental Scheme will only apply to streets the Council is responsible for.

Organisational scope

A number of existing roles within the Permit Team will be funded from the Lane Rental charges.

This has been initially identified as 3 Street Works Officers, 4 Street Works Co-ordinators and 1 Supervisor role.

It is anticipated that additional monitoring and governance staff will be required, however, the number of staff in these roles will be determined when the Lane Rental scheme is operational and actual transactional volumes and demands are better understood.

These roles will be directly funded as an operational cost from the new Lane Rental charges.

The management of the Lane Rental surplus revenue will be undertaken by a new Lane Rental Surplus Funds Group.

This group will be funded for the surplus revenue and the number and costs staff has not been decided as it is for the group to make this decision when formed. However, it is expected that there will initially be circa 5 support staff and a group of 9 decision makers drawn from across the Council and key stakeholders with an independent chairperson.

The Lane Rental Surplus Funds Group is also expected to employ contractors and consultants to assist with technical elements such as project designs and analysis.

Development Time Scale and Consultation Scope

Lane Rental Scheme developments are underway by the authors of the scoping document and the time scale for development of a scheme, along with approval and consultations etc, is normally 16 months.

A full formal consultation with stakeholders on the draft scheme is required and takes 3 months.

This formal consultation must include a draft scheme document detailing how the Lane Rental Scheme will operate and a range of specific documents including.

- A covering letter
- Proposed Scheme doc
- Cost Benefit Analysis
- Cost Benefit Analysis Summary
- Proposed Charging and Discount Regime
- Lane Rental Scheme Evaluation Plan
- List of proposed Lane Rental streets
- Maps of proposed Lane Rental Streets

The application to the Secretary of State for a Lane Rental Scheme is usually 3 months.

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