

Report to: Cabinet

Date of meeting: 30 September 2021

By: Director of Communities, Economy and Transport

Title: Introduction of a Department of Transport approved Lane Rental Scheme in East Sussex for works on the highway

Purpose: To set out how a Lane Rental scheme could be implemented to reduce work durations on the most congested roads in the county, improve planning and coordination of works

RECOMMENDATIONS: Cabinet are recommended to:

- (1) Note the benefits of introducing a Lane Rental scheme;**
 - (2) Note the process and timeframes of implementing such a scheme;**
 - (3) Agree that a Lane Rental scheme be developed and scheduled to commence with the new Highway maintenance contract in May 2023; and**
 - (4) Delegate authority to the Director of Communities, Economy and Transport to approve the scheme.**
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1 Background Information

1.1. East Sussex County Council (ESCC) is responsible for over 2000 miles of road across the county. This is broken down into 231 miles of principal (A roads), 627 miles of non-principal (B and C) roads and 1,239 miles of unclassified, estate and rural roads.

1.2. Under the New Roads and Streetworks Act (NRSWA) the County Council, as the Highway Authority, is responsible for coordinating all works undertaken on the public highway. This includes utility company and developer work, as well as maintenance carried out by East Sussex Highways.

1.3. The Network Management Team employed by the Joint Venture of Costain and Jacobs under the Highway maintenance contract currently coordinate all works on the public highway, on behalf of the County Council, through the granting of Permits.

1.4. Lane Rental schemes are being introduced by the Department for Transport (DfT) to provide a means of charging any works promoter carrying out works in the highway for the time those works occupy the highway, and thereby incentivising promoters to complete works quickly and minimise disruption. Under the DfT scheme charges are focused on the busiest streets at the busiest times.

1.5. Charges apply to works promoted by utility companies, the Local Highway Authority and developers pursuant to Sections 50 and 278 of the Highways Act 1980. The maximum charge per day is £2,500. The introduction of lane rental charging aims to provide the following benefits:

- Drive down the time taken to carry out work on the highway by incentivising promoters to reduce duration of works, thereby minimising charges, or to carry out works outside of traffic sensitive days and times when charges are not applied. This will reduce disruption on the network
- Any works carried out within traffic sensitive days and times will be subject to charges aligned to the cost of disruption. This revenue can be invested back into the highway network to

compensate for the disruption caused by the works such as projects to reduce disruption e.g., ducting for easy access without disruption.

- Encourage promoters to complete works to the required standard first time, and with permanent reinstatements, reducing the need to return to the site to carry out remedial works

2 Supporting Information

2.1 East Sussex Highways operates a Permit scheme on behalf of the County Council which effectively coordinates all works on the network to ensure minimum disruption. The charges applied for Permits and Inspections are universal across the network regardless of the impact on the most sensitive parts of our network. Lane charging adds a further incentive to works organisers to minimise their time on the busiest parts of the network or work at less sensitive times. The NRSWA provides the legal basis for lane rental charges to be applied to street works.

2.2 In addition to the current Permit scheme, a lane rental scheme would provide the financial incentive to works promoters to not only reduce the number of days they take to complete works, it promotes better working practices, improved scheduling, enhanced working techniques, greater use of technology and provides environmental benefits including supporting the Council's carbon reduction targets by reducing congestion.

Other Local Authorities operating a Lane Rental Scheme

2.3 Transport for London (TfL) and Kent County Council (KCC) have been operating lane rental schemes successfully on parts of their road network since 2012 and 2013 as part of a DfT trial.

2.4 West Sussex County Council (WSCC) and Surrey County Council (SCC) are similarly going through the process of implementing a lane rental scheme. The WSCC Highway Network and Traffic Manager chairs the National Lane Rental Forum, made up of local authority and utility representatives who offer support, guidance and good practice to other local authorities exploring the lane rental scheme. ESCC Officers are liaising with WSCC to learn from their experience.

2.5 The maximum charge under a Lane Rental Scheme is £2,500 per day for each set of works, but Local Authorities can introduce their own proposals to include discounts. For example, Surrey County Council have the following standard lane rental charges

	Traffic control	
Specified location	Road closure	Lane closure
All	£2,500	£1,500

“These can be reduced or waived in particular cases such as; collaborating with other works promoters, works that deliver significant infrastructure improvements, works that minimise the impact of future works or extend the longevity of an asset”. Examples of other local authority charging proposals can be found at appendix 1.

2.6 Providing exemptions and reducing associated rental charges to encourage less disruptive working practices will also help to demonstrate to utility companies, and to residents, that lane rental costs are targeted and avoidable and are not simply being employed as a money-raising tool.

Setting up the lane rental scheme

2.7 The power for Local Authorities to implement lane rental schemes in England is subject to the approval of the Secretary of State. The DfT released Lane Rental Schemes: Guidance for English Local Highway Authorities in 2018 and this sets out what is required of a Local Authority wishing to apply to operate a lane rental scheme.

2.8 Approval will be granted on condition that a Permit Scheme is in operation and is seen as 'best in class', whereby; Permit fees are proportionate, discounts are offered for joint working, full compliance with regulations and guidance can be shown, and the scheme fully supports the delivery of national infrastructure projects.

2.9 The application for a lane rental scheme must demonstrate that:

- The scheme is applied to the Authority's own highway maintenance works
- Charges are used to provide incentives to work outside of peak times
- Charges are waived for joint working between utility companies and highway authorities
- Caps are put in place for major works to replace apparatus
- The scheme is applied consistently across works promoters
- Lessons are learnt from other lane rental schemes in operation
- An evidence-based approach has been used to identify the critical parts of the network where costs from disruption from works are the greatest and no more than 5% of the authority's network

2.10 Implementation of the lane rental scheme must include a process whereby:

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

2.11 It is expected that implementation of a lane rental scheme will take 16 - 18 months to complete.

2.12 In exploring how to deliver this scheme, Highways and Transport Consultancy Swift Argent have provided a proposal to develop ESCC's lane rental scheme. Swift Argent have assisted a number of local authorities to develop and implement these schemes and are assisting WSCC with their lane rental scheme. If Cabinet approve the introduction of a lane rental scheme, the consultant would develop a detailed proposal to be submitted to the Secretary of State (SoS), including a full cost benefit analysis along with the proposed charging regime, a detailed evaluation plan and a full formal stakeholder consultation.

2.13 Following successful internal and Secretary of State approval of the proposal, the consultant would support the implementation of the scheme, including business processes and staff development. A proposed list of key tasks and milestones are described in Appendix 2.

3 Financial Considerations

3.1 If approved, a lane rental scheme would apply to a maximum of 5% of the county's road network, i.e., the most traffic sensitive roads, under separate lane rental charges.

3.2 The current Permit scheme would remain in place for all other roads where the current Permit charges would remain.

3.3 The income derived from a lane rental scheme will depend on the scale and nature of scheme introduced, but as a minimum will be expected to cover its cost.

3.4 The DfT stipulates that any surplus revenues from a lane rental scheme can be used for highway improvement projects intended to reduce disruption on the road network or other adverse effects arising as a result of street works. This can be for either capital or revenue projects. Examples of where any surplus revenue could be spent include;

- Investment in innovation and developing new products or disruption-saving techniques and controls. Trials of new techniques and products, installing "pipe subways" or ducting
- Improving the quality or accessibility of records about the location of underground pipes
- Measures to help abate noise, pollution or safety hazards arising as a result of works, repairing potholes caused by utility works; and / or implementing extraordinary measures to mitigate congestion caused by works, especially major works projects.

3.5 In Kent for example any monies left over after the costs of administering the scheme are taken out can be bid for by works promoters and those developing innovative technology, reducing disruption or working towards the betterment of the Street Works industry as an 'innovation fund'. This can be used to support 'dig once' works or moving utility equipment out of the main roads when carrying out road improvement schemes as an example.

3.6 The precise level of income from a lane rental scheme is difficult to estimate at this stage because much will depend on the scale of lane rental scheme introduced and the resultant behaviour of utility companies and their contractors. The intention of lane rental charges is to encourage utility companies, and highway authorities, to work quickly and/or to avoid working during traffic sensitive times.

3.7 Experience from KCC, TfL and SCC and based on the network in East Sussex suggests that income in the range of £2million to £4million might be expected. To ensure transparency, accounts of the revenues generated and how they have been spent would be published. This will be considered during the preparation, implementation and on-going monitoring of the scheme.

3.8 The cost of implementing a lane rental scheme including consultant costs and officer time will be met from current budgets. Swift Argent have quoted £69,000 to cover the activities set out in Appendix 2.

4.0 Risks

4.1 There is a risk that surplus income might be minimal if the introduction of lane rental charges has the desired effect and utility companies opt to work outside traffic sensitive times and therefore avoid lane rental charges. Similarly, the level of income from lane rental charges will depend on how quickly utility companies complete their works during chargeable times on traffic sensitive road.

4.2 Lane rental charges would equally apply to East Sussex Highways, adding to the cost of maintenance works although this would be offset by benefits set out in paragraph 3.4 above and it should be noted that most major works are already undertaken outside peak times or at night attracting a cost premium.

5 Conclusion and Reasons for Recommendations

5.1 Cabinet is recommended to note the benefits of introducing a lane rental scheme in East Sussex, as well as the process and timescales set out above and are asked to approve a recommendation to implement a lane rental scheme.

5.2 Subject to Cabinet and DfT approval, it is recommended that the introduction of a lane rental scheme in East Sussex coincides with the start of the new highways maintenance contract in May 2023 and to be administered by the new highway maintenance contractors network management team.

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LOCAL MEMBERS

All Members

BACKGROUND DOCUMENTS

[Lane Rental Schemes: Guidance for English Local Highway Authorities](#)

[Transport For London Lane Rental Scheme](#)

[Kent County Council Lane Rental Scheme](#)

[Surrey County Council Lane Rental Scheme](#)

Appendix 1 – Other Local Authority Charging proposals

- West Sussex County Council proposed charges as per consultation in December 2020. Feedback from utility companies, however, has been that they would prefer a simpler charging system so it is likely that the standard £2,500 a day will be charged with discounts applied case by case.

West Sussex Lane Rental Scheme Proposed Charges Policy and Table – December 2020

LANE RENTAL CORE 5% CHARGE AND DISCOUNT (LRC&D 5%) TABLE

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

LANE RENTAL ADDITIONAL SPECIAL MEASURES STREETS CHARGE AND DISCOUNT (LRC&D SM) TABLE

Identified Lane Rental Charge Streets (Bands)	Lane Rental Charge Discount	Full Day Charge	½ Day Charge
Band 1 (Single Carriageway)	0%	£1,250	£625
Band 2 (All Carriageway Remedial Works)	0%	£1,250	£625
Band 3 (Single Lane Occupancy of Multi Lane or Dual Carriageway)	20%	£1,000	£500
Band 4 (Cycle Track)	40%	£750	£375
Band 5 (Footway)	70%	£375	£250

- Kent County Council charges dependent on the banding of the road (KLR = Kent Lane Rental):

Band	Road closure	Lane closure charge
KLR1	£2,000	£800

Band	Road closure	Lane closure charge
KLR2	£2,000	£400
KLR3	£1,600	£600
KLR4	£1,600	£300

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Appendix 2 – Swift Argent Key Tasks and Milestones for Project Completion

PHASE 1: New Lane Rental Scheme Development & Application

Set up Project Board, meet and send briefings
Cabinet / Committee process confirmed (Approval Stages)
Agree Teletrac TrafficMaster contracts if required
DfT Consultant Access Approval if required
Download AGPS (Aggregated GPS) data
Download Accident Data
Stakeholders notified of intention to submit a proposal
Joint working group established with Terms of Reference (ToR)
Data collection for Lane Rental Scheme Document
Discuss, propose & agree KPI's
Identified suitable streets for charges to apply
Finance discussion before CBA production
Collect data for CBA
Process data for CBA
Undertake Traffic/ Delay Modelling
Draft of objectives for discussion
Agree objectives with stakeholders
Seek EH department agreement
Prepare and agree parity obligation undertaking
Detailed local environmental health considerations
Agree a period of shadow or trial running
Define suitable transitional arrangements
Agree detailed evaluation plan
Dispute resolution process agreed
Draft scheme document production
Prepare a detailed draft Cost Benefit Analysis
Prepare Cost Benefit Analysis Summary
Discuss and agree the draft Cost Benefit Analysis
Prepare proposed charges table
Prepare proposed charges for remedial works
Finance review & approval of charges
Maps of included street prepared
Draft scheme submitted to key stakeholders for review with briefings
Review National Street Gazetteer for suitability (NSG)
Source Current Staffing Levels and Roles
Prepare an impact assessment on the Permit Scheme
Finance review & approval of proposed charges
Finance review & approval of the CBA
Legal review of the Scheme Document before formal consultation period commences
Prepare and Submit Cabinet / Committee Paper (Approval to proceed to consult on proposals)
Prepare consultation covering letter
Identify consultees
Legal approval of consultation process and covering letter
Formal 12 week consultation period
Consultation workshop
Consultation representations considered
Consultation report prepared
Legal review of formal consultation responses
Final version of documents
DfT Annex A Check List Completed
Prepare SoS Application Pack
Final legal and Senior Officer review of documents and SoS application pack

SoS Application Made

Decision on Go-Live date

IT system review

HR discussion regarding staffing proposals

Cabinet (and others) report seeking approval to implement

Recruitment process begun

Staff accommodation confirmed

IT system work plan

Testing period

Business process workshops

Confirm details of the lane rental team

Confirm contact details for the lane rental team

Pre Go-Live refresher training as part of the ongoing Permit Scheme training

Go-Live

Go-Live support process (online and onsite)

Key Milestones	Key Schedules to note
<ul style="list-style-type: none"> • Stakeholders notified of intention to submit a proposal • Joint working group established with Terms of Reference • Scheme documents prepared • Proposed streets and charges Identified • Formal consultation undertaken • Internal approvals • Application to SoS • Stakeholder Notice • Shadow Running process • Recruitment process • Go-Live 	<ul style="list-style-type: none"> • Formal consultation – 12 weeks duration • SoS application review duration unknown – expect 12 weeks • Statutory notice period – 12 weeks • Shadow Running period – 4 weeks • Recruitment process lead time