



**Transport for London**

**Lane Rental Scheme**

**Consultation Report v1**

January 2012



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# 1 Purpose of document

This document provides a summary of responses to the Transport for London consultation on the proposed Lane Rental scheme. It summarises the statistics from each of the consultation questions, whilst outlining in Section 4.2 the key themes arising from the comments received along with TfL's responses.

## 2 Background

2.1 It is estimated that disruption from roadworks costs the Capital's economy around £750 million a year. Around £300 million of this is on London's busiest roads - the TLRN or Red Routes – which, although only comprising around 5% of London's road network, carry over 30% of the traffic.

Because of this The Mayor of London and TfL have progressed a number of measures on the TLRN to reduce roadworks disruption, including:

- the introduction of a voluntary Code of Conduct for Roadworks,
- the implementation of the London Permit Scheme for Road Works and Street Works (LoPS) to better control and coordinate activity
- the introduction of a cap on the number of works allowed on the TLRN at any one time.

The Transport for London Lane Rental Scheme (TLRS) is another initiative being developed to reduce unnecessary traffic disruption in London. The scheme will be targeted on those areas of the TfL Road Network (TLRN) that are designated as Congestion Management Areas (CMAs) and will be avoidable if works can be undertaken outside traffic sensitive times. The CMAs and scheme will cover 57% of the TLRN.

By introducing a lane rental scheme, TfL would be able to charge companies who dig up the busiest sections of the TLRN as well as subjecting TfL's own works to charges. The charge would be daily - for each day that the street is occupied by the works and there would be three bands ranging from £800 - £2500 per day. The scheme will also be enforced by TfL staff to ensure compliance.

This will create a financial incentive to carry out works quicker and during less disruptive times, helping to improve traffic flow and reduce disruption and delays to all road users.

After the costs of implementation and operation of the scheme are deducted from the income any remaining revenue will be put into a roadworks innovation fund, overseen by a steering group comprised of TfL and utility company representatives. This fund would then be used to develop and invest in new technology such as quick curing materials and improved plating technology. By making these more widely available to the industry, utility companies will be able to carry out more works outside of disruptive times, meaning that the companies will be able to avoid the charges.

### **3 Consultation details**

3.1 Consultation on the scheme started on 23 August 2011 and ran until the 14 November 2011. TfL contacted a wide range of stakeholders and invited their comments including the London Boroughs, Utility Companies, political stakeholders, London Assembly, and representative groups such as London Travelwatch, Living Street and Association of British Drivers.

The consultation papers consisted of a scheme proposal document, list of locations and accompanying maps and a cost benefit analysis paper. There were a total of eleven questions for people to respond to ranging from whether they agreed with the scheme, to specific questions on charges.

The introduction of a lane rental scheme is dependent on the Department for Transport replacing existing legislation under Section 74 A of the New Roads and Street Works Act and publishing supporting guidance in order to allow highway authorities to design and implement targeted lane rental schemes. The Department for Transport also consulted on proposals for nationwide lane rental regulations and guidance and their consultation closed on the 31 October 2011.

### **4 Consultation responses**

TfL received a total of 55 responses to the consultation; however two of these did not follow the same format as the responses to specific questions as listed below. Key statistics are summarised in section 4.1 from each question based on yes/no responses.

Individual comments were also received as part of the consultation, the key themes emerging from these comments along with TfL's response are summarised in section 4.2.

#### **4.1 Statistics by question**

**Q1: Do you agree with the suggested scope of the scheme set out in section 4?**

53 % of respondents said that they agreed with the scope of the scheme, while 31% said that they didn't agree, and 15% said they were not sure. 2% said that they both agreed and disagreed with parts of the scope.

**Q2: Do you agree that TfL should apply the same lane rental charges to their own highway works?**

70% said that TfL should apply the same lane rental charges to their own highway works, while 17% disagreed and 13% said they were not sure.

**Q3: Is it clear when charges will apply?**

77% of respondents said that it was clear when charges applied, with only 6% saying that they didn't find it clear, and 13% said they were not sure.

**Q4: Are the calculation of charges clear?**

62% said that the charges were clear, 23% said they were not clear, while 15% said they were not sure.

**Q5: Is it clear what additional information is required on permit applications?**

62% of respondents said that it was clear what additional information was required, while 13% said that it was not, and a further 25% said that they were not sure.

**Q6: Do you agree with the proposed exemptions from lane rental charges as detailed in section 8?**

43% agreed with the proposed exemptions, 42% disagreed. 13% said they were not sure, whilst 2% said that they agreed and disagreed.

**Q7: Do you agree with the arrangements for remedial works?**

62% of respondents agreed with the arrangements for remedial works, while 15% disagreed and 21% said that they were not sure and 2% said yes and no.

**Q8: Do you agree that information about lane rental charges should be made available via the National Street Gazetteer?**

85% of respondents agreed that information should be made available via the National Street Gazetteer, with only 6% disagreeing and 9% saying they were not sure.

**Q9: Do you agree with the proposed Dispute Resolution process?**

57% said that they agreed with the proposed dispute resolution process, with only 9% disagreeing. 30% said that they were not sure and 4% said yes and no.

**Q10: Are the parameters (that the total road length will remain within +/- 3% of the original) for minor variations to the scheme clear?**

68% said that the parameters for minor variations to the scheme were clear, with 8% saying that they did not agree and 21% said that they were not sure. 4% said yes and no.

**Q11: Do you have any other comments on the draft TfL Lane Rental Scheme?  
- Comments**

For a summary of the comments received, please see appendix A for further information.

## 4.2 Key Themes

Along with yes/no responses to each question were the individual comments received with the questions. Table 1 shows the key themes from the comments raised by particular audiences and stakeholder groups, The areas have been broken down into scope of scheme, quality of reinstatement, cost, conflict of interest and time.

The key points are summarised below along with TfL's response:

1. *There was broad agreement on the purpose and objective of a targeted lane rental scheme with some disagreements on specific exemptions and applicable locations.*
2. *A number of responses called for the exclusion of emergency works from the scheme.*

TfL has amended its Lane Rental scheme proposal to provide the first 24 hours free for genuine emergency works. This is in line with the amended DfT guidance.

3. *There was concern over the economic justification for the scheme*

With a benefit cost ratio of 8:1 in the first year, rising to 12:1 in 2015, TfL's Cost Benefit Analysis shows that social benefits will far outweigh the social costs. That is on average the disruption relief benefits arising from the implementation of lane rental in London will be of the order of £30 per annum per household.

By smoothing the traffic flow on the most sensitive parts of the TLRN, especially those with the highest bus patronage, TfL will deliver benefits to a wide range of businesses and Londoners.

An updated Cost Benefit Analysis will explicitly quantify the benefits to bus passengers and examine the distributive effects (e.g. who lives along the TLRN, who uses neither buses nor cars, etc.)

4. *Noise/environmental impacts caused concern in terms of residents impacted by an increase in 'out of hours' working.*

TfL will continue liaising with boroughs on environmental noise issues. Borough officers will carry on protecting their residents and restricting night works.

An innovation fund is being set up through the Lane Rental scheme. It is envisaged that some of this fund will be used to investigate quieter working practices at night (e.g. using plant with sound damping or sound shields). The benefits associated with this could be applied across London or nationwide, not just the Lane Rental area.

5. *Linked to the above point, noise/environmental and safety impacts caused concern in terms the potential for Environmental Health Officers (EHO) to prevent or restrict out of hours working due to noise.*

TfL recognises the concerns with regards to environmental health constraints and has worked closely with LANAF to discuss these issues. EHO constraints relate to noisy works and TfL believes that there are many works that can be undertaken without causing concerns over noise. Furthermore, an objective of the TLRS is to promote innovation and TfL is aware of products such as acoustic curtains that can mitigate noisy works. TfL does not therefore propose to exempt such works from the TLRS.

6. *The impact of health and safety on workforces and public due to evening/late night working.*

TfL recognises that Health and Safety is of paramount importance, however analysis shows that there are already many works taking place in the evenings, which, with suitable adjustments such as additional lighting, can take place perfectly safely. No pressure will be placed on any works promoter to work in an unsafe manner. The listed exemptions in the scheme have been reviewed and these will not include an exemption for works that a promoter states cannot be undertaken outside the chargeable periods as this is not in line with the objective of the scheme to promote behaviour change.

7. *That the scheme has not considered the impact on pedestrians or cyclists.*

The Regulations prevent the application of lane rental charges on streets that have not been designated as traffic sensitive and the criteria that must be met for this designation is set out in a Code of Practice which sets strict criteria as to when footways can be classified as traffic sensitive. However the TLRs has been designed to allow TfL to add a limited number of footways in line with the above guidance to its scheme at a later date if analysis shows that this will be beneficial.

TfL will continue to minimise any adverse impact of street and road works through continued use of permitting powers to control the spatial footprint of works and in particular to limit the occupation of the walkways and cycleways. Permitting powers are not affected by the lane rental scheme.

TfL will continue to monitor the impact on pedestrians and cyclists in line with its current policies.

8. *That the scheme should be expanded to include the Strategic Road Network (SRN).*

In compliance with the DfT's guidance for Lane Rental Schemes, The Transport for London Scheme is limited to those roads on the TLRN where Lane Rental will have the greatest impact. As TfL is not the Highway Authority for the SRN, TfL

are unable to apply to the DfT to run lane rental on it. However this does not prevent the relevant street authority to apply to the DfT to operate a lane rental scheme on their network.

After a suitable review period, specified by the DfT, TfL does not rule out a 'combined scheme' targeting certain parts of the SRN. Any additions would be subject to the same rigorous data analysis as has been employed in the verification of the TLRs segments and pinch points and with detailed discussion with the relevant highway authorities.

*9. Responses supported the need for evaluation and monitoring of a Lane Rental Scheme in the Capital.*

TfL's COBA includes a monitoring and evaluation section which sets out how TfL will analyse the success of the TLRs and details are also included in Section 14 of the TLRs. In addition TfL will include details of its evaluation plan as part of its application to operate a lane rental scheme to DfT.

*10. Concern from utilities that they could be faced with both lane rental and S74 charges if a job unavoidably runs over.*

The Lane rental charge purely applies to the days where the lane rental location is occupied at traffic sensitive times. TfL strongly believes that in order to coordinate effectively works must be completed on time within the duration specified. There must be a disincentive to overrun the period set in the permit or it will be extremely difficult for TfL to allocate road space for competing works. In addition S74 over-run charges are completely avoidable and the current S74 regulations allows for works promoters to extend their work duration if required due to unforeseen circumstances.

*11. Explanation of how charges would be applied to works that straddle two different charge bands*

In general lane rental charges will be calculated using the information provided in the relevant notices and permit applications. If the works are undertaken entirely within a single charge band then that charge level will apply for the duration of the works. Where the works span more than one band, the charge will vary according to the location of the works with the higher charge applying for the duration that the works span the bands. The TLRs has been amended to add further clarity to this.

*12. Whether Bank holiday's, Christmas day and boxing day are included*

TfL has made clear in it's scheme proposal that whilst in general Bank Holidays are still to be included, that the Christmas Day and Boxing Day are now not included in the Lane Rental Scheme.



13. *How the income fund will be monitored and the need for parity*

The TLRS conforms with DfT regulations and guidance on the application of net revenues. TfL will convene a committee, made up of TfL, utility and DfT representatives to monitor and control the revenue generated under Lane Rental. The committee will decide how net revenues are applied. The DfT may also be present but will have no voting rights. To ensure transparency, TfL will keep and publish accounts of the revenues generated and how they have been spent.

14. *Concern that the utility sector will pass on the lane rental charges to consumers through their utility bills.*

The scheme will apply to all service providers along the CMAs. Assuming the market is competitive, works promoters would try and minimise their lane rental charges, in order to gain market share and/or maximise their profit. TfL is confident the scheme will incentivise behaviour change.

TfL believe very strongly that lane rental charges should not be passed onto consumers which is why it has developed the TLRS to be targeted and avoidable. TfL has engaged with Regulators to set out the case for this.

TfL believes it is the responsibility of Ofwat, Ofgem and Ofcom to scrutinise utility companies' to ensure excessive costs are not being passed on.

Were utility companies to pass the total cost of the scheme (£14m p.a. in the first year, dropping to £11.6m in 2015), this would result in no more than £4 per annum per household.

15. *Utility concern that the dispute resolution process did not allow for independent escalation.*

The TLRS has been amended so that it is clear that the HAUC(UK) dispute resolution procedure would remain available where other arrangements have been exhausted.

16. *Concern that the existing national standards for transfer of streetworks information (EToN) would not support the TLRS.*

TfL has worked closely with the EToN strategy group to ensure that lane rental can operate efficiently. TfL has worked to ensure that the TLRS scheme can be delivered without any changes to EToN given that such changes take time to implement, however, TfL will continue to work with the EToN strategy group to ensure that changes to make the processing of lane rental more efficient are implemented.

Table 1: Main themes/issues and suggestions arising from consultation by respondent type\*

	Consultation Responses – High Level Themes	London Boroughs	Utility groups	GLA	HMW C	Business users	Other Transport Operators	TfL Internal	Representative Group	Member of Public
ty of Reinstatement	The scheme should expand to traffic sensitive routes on the SRN									
	The scheme should exclude emergency utility works									
	The scheme shows appreciation of the avoidable hours									
	Clarity is required on start & end of road sections for charging levels									
	Exclusion of weekends & bank holidays from charging									
	A trial should be considered before full roll out									
Cost	Quality of work could be jeopardised due to early reinstatement									
	There was support for a full charge on remedial works									
Conflict of Interest	LR will increase costs to tax payer and utility bills raised									
	There should be a scaled charge system e.g. hourly rates									
	The charging system is complex									
Time	Conflicting roles of authorities will impact enforcement									
	Environment/Noise/Safety impact from night works									
	The scheme excludes impact of works on pedestrians/cyclists (pavements)									
	There was concern about practicalities of EToN									
	Supports use of National Street Gazetteer									
Time	Suggestion of seasonal adjustments for longer working hours in summer									
	Concern over when and how monitoring will take place									
	Improving Journey Time Reliability is a priority									

\*themes/issues and suggestions may not represent views of all respondents in group

## 5 Consultation responses by category

To gain insights into the views of key stakeholder groups, the yes/no responses discussed in section 4 have been categorised to demonstrate the views of specific audiences.

### 5.1 Consultation responses by organisation type

London Borough	17
Utility Company (inc. NJUG)	9
Business (and Business Representative Groups – CBI and FSB)	8
GLA Transport Select Committee	1
Highway Maintenance Term Contractor	1
Representative Group (LTW, Living Streets, Assoc British Drivers and British Motorcycling Federation)	4
TfL (LU, Roads, Traffic, Bus Operations)	4
Transport Provider (Network Rail)	1
Member of Public	10
<b>Total</b>	<b>55</b>

### 5.2 Borough consultation responses

Below are the responses received by London Councils and the London Boroughs.

**Q1: Do you agree with the suggested scope of the scheme set out in section 4?**

76% of respondents said that they agreed with the scope of the scheme, while 12% said that they didn't agree, and 12% said they were not sure.

**Q2: Do you agree that TfL should apply the same lane rental charges to their own highway works?**

59% said that TfL should apply the same lane rental charges to their own highway works, while 24% disagreed and 18% said they were not sure.

**Q3: Is it clear when charges will apply?**

94% of respondents said that it was clear when charges applied, none of the Boroughs said that they did not find it clear, and only 6% said they were not sure.

**Q4: Are the calculation of charges clear?**

82% said that the charges were clear, 6% said they were not clear, while 12% said they were not sure.

**Q5: Is it clear what additional information is required on permit applications?**

94% of respondents said that it was clear what additional information was required, while 6% said that it was not.

**Q6: Do you agree with the proposed exemptions from lane rental charges as detailed in section 8?**

65% agreed with the proposed exemptions, 35% disagreed.

**Q7: Do you agree with the arrangements for remedial works?**

76% of respondents agreed with the arrangements for remedial works, while 12% disagreed and 12% said that they were not sure.

**Q8: Do you agree that information about lane rental charges should be made available via the National Street Gazetteer?**

100% of respondents agreed that information should be made available via the National Street Gazetteer.

**Q9: Do you agree with the proposed Dispute Resolution process?**

82% said that they agreed with the proposed dispute resolution process, with none disagreeing and 18% said that they were not.

**Q10: Are the parameters (that the total road length will remain within +/- 3% of the original) for minor variations to the scheme clear?**

82% said that the parameters for minor variations to the scheme were clear, with 6% saying that they did not agree and 12% said that they were not sure.

### **5.3 Utility company consultation responses**

Below are the responses received by the Utility Companies and their representative Group (NJUG).

**Q1: Do you agree with the suggested scope of the scheme set out in section 4?**

0% of respondents said that they agreed with the scope of the scheme, while 78% said that they didn't agree, and 11% said they were not sure. 11% said that they both agreed and disagreed with parts of the scope.

**Q2: Do you agree that TfL should apply the same lane rental charges to their own highway works?**

100% said that TfL should apply the same lane rental charges to their own highway works.

**Q3: Is it clear when charges will apply?**

89% of respondents said that it was clear when charges applied, with 11% saying that they didn't find it clear.

**Q4: Are the calculation of charges clear?**

33% said that the charges were clear, 67% said they were not clear.

**Q5: Is it clear what additional information is required on permit applications?**

56% of respondents said that it was clear what additional information was required, while 44% said that it was not.

**Q6: Do you agree with the proposed exemptions from lane rental charges as detailed in section 8?**

22% agreed with the proposed exemptions, 67% disagreed. 11% said that they agreed and disagreed.

**Q7: Do you agree with the arrangements for remedial works?**

44% of respondents agreed with the arrangements for remedial works, while 44% disagreed and 11% said yes and no.

**Q8: Do you agree that information about lane rental charges should be made available via the National Street Gazetteer?**

100% of respondents agreed that information should be made available via the National Street Gazetteer.

**Q9: Do you agree with the proposed Dispute Resolution process?**

33% said that they agreed with the proposed dispute resolution process, with 33% disagreeing. 11% said that they were not sure and 22% said yes and no.

**Q10: Are the parameters (that the total road length will remain within +/- 3% of the original) for minor variations to the scheme clear?**

56% said that the parameters for minor variations to the scheme were clear, with 22% saying that they did not agree. 22% said yes and no.

## **5.4 Business user consultation responses**

Below are the responses received by Businesses affected by roadworks and their representative organisations.

**Q1: Do you agree with the suggested scope of the scheme set out in section 4?**

63% of respondents said that they agreed with the scope of the scheme, while 13% said that they didn't agree, and 25% said they were not sure.

**Q2: Do you agree that TfL should apply the same lane rental charges to their own highway works?**

75% said that TfL should apply the same lane rental charges to their own highway works, while 13% disagreed and 13% said they were not sure.

**Q3: Is it clear when charges will apply?**

63% of respondents said that it was clear when charges applied, 37% said they were not sure.

**Q4: Are the calculation of charges clear?**

63% said that the charges were clear, 25% said they were not clear, while 12% said they were not sure.

**Q5: Is it clear what additional information is required on permit applications?**

38% of respondents said that it was clear what additional information was required, while 62% said that they were not sure.

**Q6: Do you agree with the proposed exemptions from lane rental charges as detailed in section 8?**

75% agreed with the proposed exemptions, 25% said they were not sure.

**Q7: Do you agree with the arrangements for remedial works?**

75% of respondents agreed with the arrangements for remedial works, while 12.5% disagreed and 12.5% said that they were not sure.

**Q8: Do you agree that information about lane rental charges should be made available via the National Street Gazetteer?**

75% of respondents agreed that information should be made available via the National Street Gazetteer, and 25% said they were not sure.

**Q9: Do you agree with the proposed Dispute Resolution process?**

50% said that they agreed with the proposed dispute resolution process and 50% said that they were not sure.

**Q10: Are the parameters (that the total road length will remain within +/- 3% of the original) for minor variations to the scheme clear?**

63% said that the parameters for minor variations to the scheme were clear, and 37% said that they were not sure.

## **6 Conclusions & Next Steps**

The initial review shows no 'show stopping' issues and only minor changes to TfL's Lane Rental proposal have been made. As a result TfL has submitted to the DfT a proposal to operate a lane rental scheme and awaits approval of a scheme, anticipated in Spring 2012 with the view to 'go live' in Summer 2012.