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To: Environment, Highways & Waste Cabinet Committee

Date: 20 September 2012

Subject: Introduction of a Kent Lane Rental Scheme (KLRS)

Classification: Unrestricted

Summary:

This report concerns the introduction of a lane rental scheme in Kent in order to apply charges to those carrying out works on the highway network, within specific strategic locations.

The KLRS has been out for formal Consultation between 25 June and 17 September and the results show a positive support for the Scheme and the overall objectives.

1 Introduction

- 1.1 The Secretary of State for Transport has the power to provide a Council with the legal Order to introduce the Regulations that bring a lane rental scheme into effect. The Government are currently only providing this power to two Local Highways Authorities to pilot this type of scheme, which will allow a daily charge to be applied to works on the most traffic sensitive parts of an authorities network . Transport for London commenced a scheme in June 2012 and KCC have been invited to consider an application for a scheme also.
- 1.1 The Highways and Transportation Annual Plan for 2012/13 includes an action listed under item 2.1 to “Agree Lane Rental pilot scheme with DfT for Kent’s most critical roads (to commence in Summer 2013)”. This was also included in the recommendations from the recent Members Roadworks Working Group agreed at the 11 May 2012 Cabinet Committee meeting.
- 1.2 KCC has designed a Kent Lane Rental Scheme (KLRS) and has carried out an extensive consultation with key stakeholders who would be affected by this Scheme (*interested parties*).

- 1.3 The Kent Lane Rental Scheme is a well-designed and well-targeted scheme, focusing on the most critical parts of the highway network. This is intended to encourage those undertaking works to carry out their works in a less disruptive manner.
- 1.4 The Kent Lane Rental Scheme compliments the existing Kent Permit Scheme and will further decrease the impact of roadworks on the travelling public in Kent.

2 Financial Implications

- 2.1 The revenue received from a lane rental scheme would be used to cover the full operating costs of the scheme. In accordance to the stated Regulations any surplus revenues will be applied towards initiatives that are associated to the objectives of the KLRS, within the areas of (i) transportation; (ii) enabling infrastructure; and (iii) industry practices and research and development.

3 Bold Steps for Kent and Policy Framework

- 3.1 The Council's Local Transport Plan has an objective to "*Keep Kent Moving*" and a Kent Lane Rental Scheme is considered an essential tool to not only deliver this objective, but to also maintain and support the Councils legal duty to "*secure the expeditious movement of traffic on the authority's road network*".

4 The Kent Lane Rental Scheme (KLRS)

- 4.1 The Kent Lane Rental Scheme would provide real incentives that encourage those undertaking works to:
 - (i) reduce the length of time that sites are unoccupied, hence reducing total works durations;
 - (ii) improve planning, coordination and working methods to maximise efficiency;
 - (iii) carry out more works outside of peak periods, reopening the highway to traffic at the busiest times and/or making greater use of evening or weekend working where the local environmental impact is acceptable;
 - (iv) optimise the number of operatives on site to enable works to be completed as quickly as possible;
 - (v) complete works to the required standard first time, reducing the need to return to the site to carry out further works.

- 4.2 the application of daily charges for works on the most traffic sensitive routes at the busiest times. The scheme incentivises behavioural change because charges can be avoided by working faster, or outside of busy times or in less disruptive ways. Further details of the scheme can be found on the consultation website:
<http://consultations.kent.gov.uk/consult.ti/kentlane2012/consultationHome>

Consultation Results

- 4.3 The Consultation resulted in over 200 comments received from 30 different interested parties. These parties consisted mainly of Promoters of works (mainly utility companies); local Councils within Kent and specialist Groups with transport interests. The majority of comments received fell into three category types: (i) support for the Scheme objectives and design; (ii) clarification of the operation of the Scheme; and (iii) questions on the Scope of the Scheme.
- 4.4 Overall, the KLRS received strong support from these interested parties, *including the promoters of affected works*, as a well-designed and purposeful Scheme.
- 4.5 As a result of the Consultation changes were applied to the Scheme design, however these did not represent fundamental changes to the Scope and instead reflected the need in some areas for further clarification to support the operation of the Scheme.
- 4.6 Prior to consultation, an Equality Impact Assessment (EqIA) was conducted on the KLRS. This EqIA determined that the Scheme has potential positive impacts, but no potential adverse impacts.

Cost/Benefit Analysis

- 4.7 As part of this application, a full cost-to-benefit analysis has been carried out to show the potential positive impact for the introduction of a lane rental scheme into Kent, for both local residents and businesses.
- 4.8 The cost benefit analysis is based on conservative assumptions about changes in working practices and includes potential savings from working off peak and from working more efficiently. The base case single year appraisal indicates that the KLRS would return significant benefits from journey time savings as well as benefits from accident savings and fuel carbon savings.
- 4.9 The base case net present value (NPV) is £8.29m (*2010 prices*) for the first year of operation, with a benefit to cost ratio (BCR) of 10.4. The scheme costs include a set up fixed cost as well as an annual running cost. On this basis the BCR demonstrates a robust return for the introduction of the KLRS.

The Application and Scheme Implementation Process

4.10 The current projected timescale to make an application for the KLRS and bring this into operation is based on submitting this application in October 2012. A decision on the KLRS should be obtained in December 2012 and a twelve week mandatory notice period to affected promoters of works would start in February 2013. During this notice period, it is intended to operate the Scheme, *without charge*, to test the operation and resolve any potential issues preventing success.

4.11 Based on these timescales a Kent Lane Rental Scheme could come into effect in May 2013.

4.12 The operation of the Scheme would require an additional seven (7) new employees, across 4 new functions, within the Roadworks and Enforcement service area. The cost of these new staff will be fully funded from the income derived from the Scheme.

5. Conclusions

5.1 Kent County Council has the opportunity to introduce new legislation that could have a significant positive impact to the residents and businesses within Kent.

5.2 The Kent Lane Rental Scheme has been designed with cooperation and support from affected Stakeholders, including those who will be carrying out the affected works.

5.3 KCC is now ready to submit an application to the Secretary of State for Transport to introduce the KLRS and bring it into effect at the earliest opportunity.

5.4 A further report will be presented to a future meeting of the Cabinet Committee on the results of application and intended start date for the Kent Lane Rental Scheme.

6. Recommendations

Members are requested to endorse the application to introduce the Kent Lane Rental Scheme with an aim to bring a scheme into effect within 2013.

7. Background Documents

- The Street Works (Charges for Occupation of the Highway) (England) Regulations 2012

- Lane Rental Schemes: Guidance to English Local Highway Authorities
(January 2012)

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