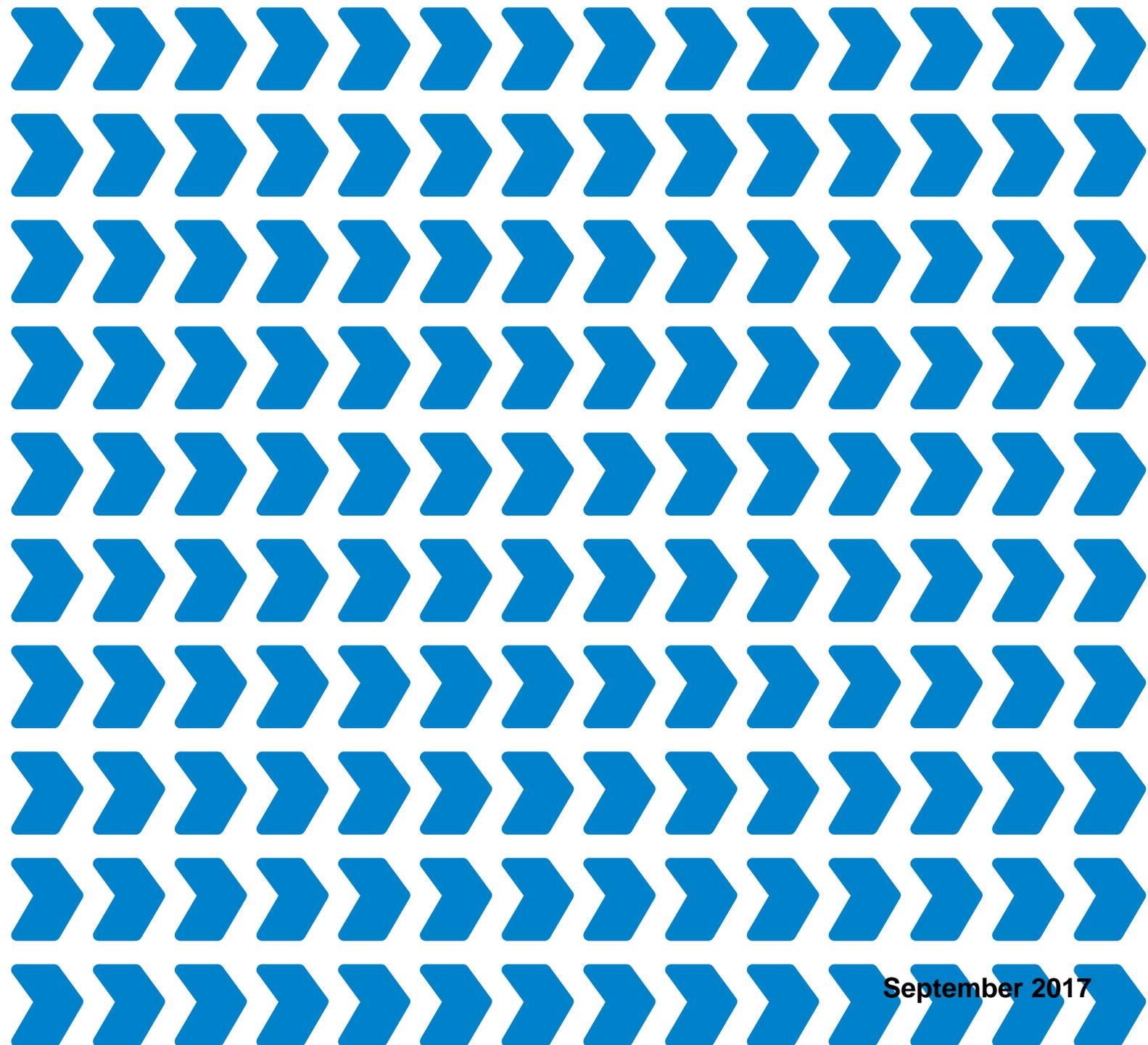




Department
for Transport

Road works: The future of lane rental

Moving Britain Ahead



September 2017

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Foreword



As Secretary of State for Transport, I know how important it is that we do whatever we can to ensure that we make the best use of our transport and road network and that we improve the millions of journeys that people make every day. Our local road network is vitally important for our local and national economies. We all rely on it to travel around and deliver our goods and services, and it also provides a way for us to receive the gas, electricity, water and telecommunications infrastructure we need.

We estimate that there are around 2.5 million road works carried out in England each year. These can cause significant disruption to people's journeys and congestion which we estimate costs the economy around £4 billion. The Government is working with local authorities and utility companies on a range of measures to help ensure that road works are managed and co-ordinated as effectively as they can be, to reduce the time it takes to carry out works, and to make accurate and up-to-date information available to road users.

As part of this work, Transport for London (TfL) and Kent County Council have been successfully operating lane rental on parts of TfL's and Kent County Council's road network. The aim of these pioneer schemes was to test the effectiveness of lane rental as a way of reducing the congestion caused by road works. I know that it has brought many benefits to the people who live and work in those areas, some of which are mentioned in this consultation.

We now need to agree whether these schemes should continue on London and Kent, and whether or not other local authorities should be able to introduce them. We have also included some other ideas and proposals about the detailed operation of lane rental and how these schemes relate to the permit schemes that are now in use in many areas.

I am keen to hear about what you think of these proposals, and whether any other local authority would like to introduce similar schemes to tackle congestion in their areas.

Rt Hon Chris Grayling MP
Secretary of State for Transport

Executive summary

- 1 This consultation is about the future of lane rental schemes. Lane rental involves charging the promoters who carry out road works for the time their works occupy the highway. Charges are focused on the busiest streets at the busiest times.
- 2 Two pioneer lane rental schemes have been in operation since 2012 in London and 2013 in Kent. The Government needs to make a decision about the future of these schemes and whether or not to allow other local authorities to introduce them.
- 3 Street works are carried out by the water, gas, electricity and telecommunications utility companies to install, repair or maintain the vital services on which we all rely. Road works are carried out by the local highway authority (LHA) to maintain the roads or, for example, to install cycle or bus lanes. We will use the term road works in this consultation to cover both types of works.
- 4 We estimate that there are around 2.5 million road works carried out in England each year. These can cause significant disruption to people's journeys and congestion which we estimate costs the economy around £4 billion. The Government is working with local authorities and utility companies on a range of measures to help ensure that road works are managed and co-ordinated as effectively as they can be, to reduce the time it takes to carry out works, and to make accurate and up-to-date information available to road users.
- 5 As part of this work, Transport for London (TfL) and Kent County Council have been operating lane rental on parts of TfL's and Kent County Council's road network. The aim of these pioneer schemes was to test the effectiveness of lane rental as a way of reducing the congestion caused by street and road works. Lane rental allows the LHA to impose a charge of up to £2,500 for each day the highway is occupied by the works. The charge was set at a level that reflected the costs of congestion caused by the works and that would encourage works promoters to:
 - Reduce the length of time taken to carry out the works
 - Improve planning, coordination and working methods
 - Carry out more works outside of peak times, for example, making greater use of weekend and evening working where the local environmental impact was acceptable
 - Complete works to the required standard first time and with a permanent reinstatement, reducing the need for the works promoter to return to the site to carry out remedial work
- 6 The schemes were enabled by section 74A of the New Roads and Street Works Act 1991 and the Street Works (charges for occupation of the highway) (England) Regulations 2012 (the 2012 regulations). The 2012 regulations include a 'sunset' clause which means the London and Kent schemes will end in March 2019 unless the

regulations are amended.

- 7 This consultation therefore considers options for the future of lane rental. Four options are presented. We would like to receive any comments you have on these options and your views on the future of lane rental.
- 8 Lane rental is an additional way of managing road works. The main regimes LHAs use to manage road works is through either noticing or permit schemes. These apply to works on all local roads. LHAs can choose which system they use. Noticing was put in place by the New Roads and Street Works Act 1991 and applies only to works carried out by utility companies. It is a passive system that requires promoters to send in notices when works begin and end in line with certain legal requirements. The Traffic Management Act 2004 allows LHAs to introduce permit schemes. This is a more pro-active application regime, applies to both LHA and utility works and utility companies pay a small administration fee to cover the LHA's costs. Around 60% of LHAs now have permit schemes. The Government would like to see all LHAs using permitting as schemes are reducing the duration of works, more coordinated works are taking place, and road user satisfaction is improving.
- 9 We are consulting on the following four options for the future of lane rental:
 - Baseline Option (do nothing). This would mean the current schemes would end in March 2019 and no new schemes would be permitted. Permit schemes would be the main way that all road works were managed on all roads.
 - Option 1: Retaining lane rental as it currently exists but only in London and Kent. This would require a minor amendment to secondary legislation to remove the sunset clause.
 - Option 2: Roll-out lane rental to other local authority areas. This would allow other local authorities to operate lane rental schemes but on condition that certain other criteria were met, for example, a permit scheme was in operation. This could be on a limited basis or it could be deployed more widely. It would be for authorities to ask for approval from the Government for schemes.
 - Option 3: Using permit schemes to deliver the key objectives of lane rental, i.e. stricter control and planning of works on the busiest roads at the busiest times. This would involve amending permit schemes and adding a new 'super permit' for works on the most congested roads. This would use permitting, which applies to all works on all local roads, to implement the key policy aims of lane rental and would allow those 60% of permitting LHAs that operate permit schemes to vary their schemes and include this new level of permit without the need for any approval from the Government.
- 10 These options are described in more detail in Section 2. The consultation impact assessment can be found on the website here: <https://www.gov.uk/dft#consultations>
- 11 This consultation relates to England only and to the local road network managed by LHAs.

How to respond

The consultation period began on 2nd September 2017 and will run until 28th October 2017. Please ensure that your response reaches us before the closing date.

Please complete and submit the on-line response form that can be found at <https://www.gov.uk/dft#consultations>

If you need to print out and send in any written responses, please send them to:

Sally Kendall

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Or email them to: lane.rental@dft.gsi.gov.uk

When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

Freedom of Information

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic

confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the Data Protection Act (DPA) and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

1. Introduction

The current landscape

- 1.1 The Government wants to deliver better journeys for drivers. Road works are essential, but that doesn't mean they should be in place any longer than is absolutely necessary. We expect traffic volumes and demand for utility services to continue to grow which means that it will become ever more important to minimise the congestion and disruption caused by road works.
- 1.2 There are two different types of work:
 - Works for utility companies to install, repair and maintain our services. These include water, electricity, gas and telecommunications. Much of the apparatus is placed underneath the road, so utilities' works frequently involve digging up the road. In legislation, these works are known as 'street works'. Many utility companies have the right to dig up the road for these purposes and are known as statutory undertakers. They also need to comply with rules about how they carry out their works. This includes notifying the authority responsible for the road concerned of their plans, or obtaining a permit and completing the works to statutory standards of safety and 'reinstatement' of the road. Works may also be carried out by street works licence holders under the New Roads and Street Works Act 1991. Utility companies have to satisfy requirements placed on them by the regulators to provide and restore services promptly and cost-effectively.
 - Local authorities have a 'network management duty' to co-ordinate what is happening on their roads to minimise disruption and congestion. They need to make sure that works on their roads are safe, and that the roads are returned to a satisfactory standard afterwards to minimise future deterioration. Authorities also have a duty to maintain the roads so carry out their own works to fix pot-holes or re-surface the roads. These are known as 'road works'.
 - For this consultation, when we use the term 'road works', it means both of the above types of work.
- 1.3 Those carrying out works on the roads are generally commercial organisations that need to complete works at the lowest cost. Lane rental was therefore brought in by section 74A of the New Roads and Street Works Act 1991 (The 1991 Act) and the Street Works (Charges for Occupation of the Highway) (England) Regulations 2012 as a way of factoring in the costs of congestion into decision making.

The legislation

- Section 74A of the 1991 Act
- Requires that all schemes are approved by the Secretary of State. The legislation sets out details of what can be included in regulations including
 - The regulations may prescribe exemptions
 - They may prescribe different rates of charge according to
 - The extent to which the carriageway is affected by the works
 - The place and time at which the works are executed
 - They may allow a highway authority to reduce or waive payments
 - They can set out what highway authorities are allowed to do with charges received
 - Provides an offence of non-compliance which is criminal and subject to a maximum level 4 fine (£2,500)
- The 2012 regulations provide that
 - The charge is up to £2,500 per day
 - The highway authority may reduce the amount or waive payment
 - In any particular case
 - In such classes of case as it may decide
 - In all cases
 - Charges do not apply to street works
 - In a verge
 - In a traffic sensitive street other than at a traffic sensitive time
 - In the footway
 - Charges are paid after receiving an invoice
 - The highway authority can deduct from charges received
 - Its reasonable operating costs
 - Evaluating the effectiveness of schemes
 - Any surplus must be applied for 'purposes intended to reduce the disruption and other adverse effects caused by the street works'.
 - Annual accounts must be published
 - They cease to have effect on 13th March 2019
- Supplementary statutory guidance

- The guidance on permit schemes notes that permit fees may not be charged as well as a lane rental charge

The pioneer schemes

1.4 Transport for London (TfL) and Kent County Council have been operating lane rental on parts of TfL's and Kent County Council's road network since 2012 and 2013. Both the London and Kent schemes also apply to the highway authorities' own works. This was at the request of the DfT at the times the schemes were set up. Payments for highway works are made via internal budget transfers between highways teams and the street works teams.

- Summary of lane rental pioneer schemes

	TfL	Kent
Scheme launch date	11/06/12	28/05/13
Percentage of road network covered	56% of the 4% of London's roads managed by TfL (2% of London's network)	5% of the network
Daily charging rates	£800-£2,500	£300-£2,000
Annual scheme operating cost (2014/15)	Approx. £1.5m	£400,000
Revenue raised (2014/15)	£4.8m (Includes £1.7m from TfL's own works)	£1.1m (includes £200k from KCC's own works)

1.5 Further information about the schemes in London and Kent can be found at

<https://tfl.gov.uk/info-for/urban-planning-and-construction/lane-rental-scheme#on-this-page-0>

<http://www.kent.gov.uk/roads-and-travel/highway-permits-and-licences/kent-lane-rental-scheme#>

1.6 The DfT published an independent evaluation of the pioneer schemes in March 2016. It can be found at:

<https://www.gov.uk/government/publications/street-works-lane-rental-evaluation>

1.7 Experience with lane rental has shown that:

- Lane rental works most effectively alongside a well-run permit scheme, and acts as an additional tool for dealing with works on the busiest roads at the busiest times. The evaluation project found it hard to identify the additional congestion benefits that lane rental gave over and above the improvements seen from permitting. But

both TfL and Kent County Council strongly believe that lane rental adds significantly to their ability to manage their network and reduce congestion, and this is evidenced statistically within the evaluation reports published for TfL's scheme.

- Some operational changes may be needed to the management of lane rental. For example, charges at the moment are daily. A move to hourly charges could help to reduce costs for works promoters and also encourage the speedy completion of works.
- There is an operational overhead in both setting up and running schemes. Lane rental charges can cover on-going costs but set up costs are additional. Comprehensive data and traffic information is needed to help decide and monitor the roads to which the schemes apply. Schemes should be trialled for a period of time before 'going live'.
- Costs to utility companies have increased. Additional costs have been incurred in administration, from paying charges and through the payment of additional wages to staff and contractors working weekends or evenings. Many charges can, however, be avoided by planning the works, collaborating with other promoters, and working at different times. In Kent, less than 20% of works on lane rental roads actually incur the charge. In London, 99% of TfL works and 88% of utility works taking place on lane rental roads avoided incurring a charge.
- Both TfL and Kent County Council also use the discretion available to them to cap or waive charges in specific circumstances, for example, for longer duration works where extensive measures are put in place to mitigate effects on traffic.
- It is hard to quantify the congestion benefits but the consultation Impact Assessment provides estimates of these as well as other costs and benefits.

1.8 In their most recent monitoring report for 2015-16¹, TfL has also found that:

- Average collaborative work sites has increased from 16 to 111 (616%) compared to the 2010-11 baseline
- Average number of days of disruption avoided has increased from 110 to 353 (221%)
- 1,878 days of lane rental were saved through early discussions with work promoters
- Serious and severe congestion caused from planned utility works fell by 51% on lane rental roads compared to before lane rental was implemented
- The greatest improvements in customer satisfaction between 2014 and 2015 were reductions in frustrations associated with 'repeated road works on the same stretch of road within the same year' and 'seeing streets partially closed, but no-one working there'
- Frustrations associated with 'road works carried out at busy times' have continued to reduce (11 percentage points since 2011).

¹ Benefits of the Transport for London Lane Rental scheme, November 2016: <http://content.tfl.gov.uk/lane-rental-benefits-report-november-2016.pdf>

- 1.9 Kent County Council has seen similar benefits in terms of more collaboration and improved road user satisfaction, as well as reductions in congestion.
- 1.10 The independent evaluation did find an unintended effect of lane rental. Some utility companies were delaying major works to replace underground infrastructure due to the significant cost implication of additional lane rental charges on projects that could last for several months. They were, instead, simply repairing apparatus when needed as emergency works do not incur any charge. The regulations, however, do allow the highway authority to negotiate a cap on these charges and to waive them in particular circumstances.
- 1.11 The legislation allows TfL and Kent County Council to cover the scheme operating costs from the revenue raised by charges. Surplus revenue can be used to fund projects that 'reduce the disruption or other adverse effects caused by the works'. Both TfL and Kent County Council have a programme for funding projects by a range of organisations, especially those involving innovation, trialling new techniques for speeding up road works, installing ducting on busy routes that can subsequently be used by utilities, and implementing extraordinary measures to mitigate congestion caused by road works. Further information about the projects that are being funded in this way can be found at the websites included in paragraph 1.5.
- 1.12 Data from TfL and Kent County Council has been used in the consultation Impact Assessment to help assess the costs and benefits of the four options.

The Government's strategy for reducing the impact of road works

- 1.13 The Government is taking forward a range of other initiatives to reduce the disruption caused by road works. Road works are essential for delivering and maintaining the services that people need, but that does not mean they should take longer than is needed. There is scope for works promoters to reduce the disruption and congestion caused by road works and for road users and local communities to be put at the heart of decision making. This consultation should be seen in the wider context of this programme of work which includes:
 - The Street Manager project aims to transform the planning, management and communication of road works through open data and intelligent services to minimise disruption and improve journeys for the public. It could deliver many benefits including:
 - Better managed, shorter and fewer street/road works delivering time savings and reduced congestion
 - Accurate and up-to-date data via full range of journey planning apps, satnavs, etc
 - Ability to receive tailored information about your journey, whether that is by car, HGV, cycle, bus, etc
 - Open data that can be used to innovate, manage the network, and link in with full range of new digital initiatives eg. 3D, virtual mapping
 - Improved road user satisfaction
 - Better information for visitors and foreign traffic

- Reduced running costs, greater efficiency and better value for money for local authorities and utility companies
- We want to improve the consistency of permit schemes and encourage greater take-up. We have commissioned an independent evaluation of the permit schemes that have now been set up by 60% of local authorities to evaluate the costs of setting them up, the benefits they have brought with particular emphasis on whether they have reduced duration of works, and their effectiveness as a tool for managing street works. This work will report in November 2017. Local reports published by LHAs to date shows that permit schemes can reduce the average duration of works significantly and that they are a much more effective way of planning and managing road works.

2. The proposals

2.1 We are consulting on the following four options for the future of lane rental:

- Baseline Option (do nothing). This would mean the current schemes would end in March 2019 and no new schemes would be permitted. Permit schemes would be the main way that all road works were managed on all roads.
- Option 1: Retaining lane rental as it currently exists but only in London and Kent. This would require a minor amendment to secondary legislation to remove the sunset clause.
- Option 2: Roll-out lane rental to other local authority areas. This would allow other local authorities to operate lane rental schemes but on condition that certain other criteria were met, for example, a permit scheme was in operation. This could be on a limited basis or it could be deployed more widely. It would be for authorities to ask for approval from the Government for schemes.
- Option 3: Using permit schemes to deliver the key objectives of lane rental, i.e. stricter control and planning of works on the busiest roads at the busiest times. This would involve amending permit schemes and adding a new 'super permit' for works on the most congested roads. This would use permitting, which applies to all works on all local roads, to implement the key policy aims of lane rental and would allow those 60% of permitting LHAs who operate permit schemes to vary their schemes and include this new level of permit without the need for any approval from the Government.

2.2 We have developed these four options through informal discussions with a small number of stakeholders and because they would be viable and deliverable. Some other options were available but these have not been included in this consultation for reasons including; they would need primary legislation, for example, changes to the scope and removing the need for approval of schemes by the Secretary of State; or they would be strongly opposed by utility companies, for example, full, unconditional roll-out to all local authority areas.

Baseline Option

2.3 The baseline scenario is based on the current regulations and the existing sunset clause of March 2019.

2.4 This would mean that:

- The lane rental schemes in London and Kent would end in March 2019 as the 'sunset clause' in the 2012 regulations would come into effect.
- The Secretary of State would not authorise any new lane rental schemes.

- Permit schemes would still be in use and in operation. These can apply to all roads and all works and are currently in use in around 60% of local highway authority areas, with more being planned. We would like to see all authorities using permit schemes to create a single, consistent national approach for authorities and utilities.

Advantages

- Ending the current lane rental schemes would reduce the cost of regulation on business, meaning lower costs and therefore financial savings for utility companies working in London and in Kent, and for TfL's and Kent County Council's own works.
- Savings may be passed onto customers' utility bills.

Disadvantages

- TfL and Kent County Council would no longer have lane rental as a tool for managing and reducing congestion. No other authorities would be able to set up schemes.
- There would be no new funding available through the lane rental funds for projects to reduce the disruption of works and other adverse effects caused by the street works. These benefits and this funding stream would therefore be foregone.
- There would be administration costs for TfL, Kent County Council and utility companies who work in those areas to amend current systems and remove lane rental from the process.
- Road users in London and in Kent may see more congestion and experience less reliable journeys.
- Levels of congestion are likely to deteriorate, increasing the cost of congestion in London and Kent.
- There would be a reduction in the other benefits associated with lane rental, for example, road user satisfaction could decline, there would be less collaboration and fewer joint schemes, and there would be less effective planning by utilities.
- There is no guarantee that cost savings would be passed onto customers' utility bills.

Is legislation needed?

- No. The existing sunset clause would take effect.

Possible mitigation or complimentary measures

- The Government could consider amending permit scheme regulations to provide for a form of 'super permit' for the most congested roads (see Option 3).

Option 1: Retain lane rental in London and Kent

2.5 This would mean that:

- The lane rental schemes in London (TfL's roads only) and Kent would continue on the basis of the current model or, potentially, with some minor improvements to allow, for example, hourly rather than daily charges.

- The Secretary of State would not authorise any new lane rental schemes.
- Permit schemes would still be in use and in operation. These can apply to all roads and all works and are currently in use in around 60% of local authority areas, with more being planned. We would like to see all authorities using permit schemes.
- Regulations would be needed to amend the sunset clause and to make minor improvements.

Advantages

- This option would mean the current schemes in London and in Kent can continue.
- Road users and communities in London and Kent would continue to receive the current benefits.
- There would be no additional costs to utility companies if there were no additional schemes in any other authority areas.

Disadvantages

- No additional schemes would mean that other local authorities with high levels of congestion would not be able to use lane rental as a tool for managing road works on the busiest roads at the busiest times.
- Those other areas would not receive the congestion and other benefits.

Is legislation needed?

- Yes, the 2012 regulations would need amending to remove the existing sunset clause. At the same time, TfL and Kent may request minor amendments to improve the operation of the schemes, for example, to change the daily charge to an hourly one. This would further encourage works to be completed quickly.

Possible mitigation or complimentary measures

- The Government could consider at the same time making minor amendments to the regulations to consider the use of surplus revenue (see below).

Option 2: New schemes permitted but on condition that....

2.6 This would mean that:

- The lane rental schemes in London (TfL's roads only) and Kent would continue.
- New schemes would be permitted. This could be on a limited basis, or the option could be open to any local authority. There could be a limit on numbers, for example, a maximum of six. Or there could be no limit.
- Schemes would be set up, more or less, on the basis of current legislation but minor changes could be considered, for example, to allow hourly charges.
- There would be no change to primary legislation so the Secretary of State's approval would still be needed for schemes. It would be for authorities to ask for approval and to pay for any set up costs.

- Regulations would be amended to remove the sunset clause. Other minor operational amendments would be made to secondary legislation and guidance. We can, for instance, set out conditions in the bidding guidance.
- Government approval would be subject to:
 - Authorities operated a permit scheme in line with ‘best in class’, for example, permit fees were proportionate, discounts were offered for joint works, full compliance with permitting regulations and guidance, schemes fully supported the delivery of national infrastructure projects like HS2 and broadband roll-out.
 - Schemes applied to a local authorities’ own works in the same way as in Kent and London. Schemes are voluntary so there would be no ‘new burdens’ for Government.
 - Lane rental charges were used to provide incentives to work outside of peak times, they were waived for joint works, caps were put in place for major works to replace apparatus so that these works were not unfairly penalised and delayed.
 - Schemes were trialled for a period of time before ‘going live’ and reviewed annually to ensure charges remained proportionate and were applied to the most congested roads.

Advantages

- This option would mean that the current schemes in London and Kent could continue.
- Road users and communities in Kent and London would continue to receive the current benefits.
- The benefits of lane rental would be spread to other authority areas with heavily congested roads.
- These areas would also receive other benefits, for example, higher road user satisfaction, more joint works, wider improvements from use of lane rental charges.

Disadvantages

- There would be administration costs for authorities and the utility companies working in those areas to set up schemes. Authorities are allowed to use charges to cover operational costs but not set-up costs.
- There would be additional costs to utility companies working in the local authority areas who may pass these onto utility customers. Bills are therefore likely to rise.

Is legislation needed?

- Yes, the 2012 regulations would need to be amended and guidance would need to be updated.

Possible mitigation or complimentary measures

- The Government could consider, at the same time, the use of surplus revenue (see below).
- The Government could consider the maximum level of charge that was set in the 2012 regulations. At the moment, they allow charges of up to £2,500 per day. This was based on a DfT assessment of the costs of congestion associated with a

day's works on the most congested roads. We have commissioned work to re-assess the costs of congestion associated with road works. A reduction in the maximum daily charge could minimise the impact on utility companies and authority works, but the charge would still need to be set at a level that incentivised the behaviour we wanted. This change could also be made under Option 1.

- Charges could be changed to hourly, rather than daily, to reduce the financial impact and encourage works to be completed as soon as possible.

Option 3: Amend permit schemes and add a new 'super permit' for works on the most congested roads.

2.7 This option considers whether we should use permit schemes to deliver the aims and benefits of lane rental, that is better control, planning and speedy completion of works on the busiest roads at the busiest times, but in a way that minimises costs on utility companies and local authority works. Around 60% of authorities now have permit schemes, and others can introduce them without needing approval from the Government.

2.8 Option 3 would mean that:

- Permit scheme regulations would be amended to allow authorities to designate the most congested roads in their areas as ones that would need a 'super permit'. Authorities would decide themselves which roads would need a 'super permit' but we would expect this to be around 5% of the local road network as in Kent. Authorities already need to consult on new or variations to permit schemes, and the roads to which this type of permit would apply would need to be reviewed annually as in lane rental.
- Utility companies and authorities would need to apply for a 'super permit' for works on these roads. The permit fee could be set, for example, at a maximum of £1,000 per application. Authorities could be asked to pay this fee for their own works, or it could be waived as is currently the case for existing permit schemes.
- The regulations could set additional rules for 'super permits' that would allow, for example, authorities to challenge proposed durations for standard and major works, discounts and fee waivers could be offered for moving works to less busy times, fees could be scaled according to the time spent in the road at the busiest times, there could be increased fines to help enforce the conditions, etc.
- This proposal would be available to all authorities that have permit schemes.
- The relevant regulations would be amended. This option can be achieved by secondary legislation.
- Operational amendments would be needed to existing permit schemes if an authority chose to apply 'super permits'. This may involve some administration cost to both authorities and utility companies. There would be additional costs to utility companies from the payment of a higher fee for works on 'super permit' roads but this could be off-set by reduced fees on minor roads.
- The permit regulations do not allow authorities to build up surplus revenue from permit schemes. Fees must only cover operational costs. Set up costs have to be covered separately by the authority. Surplus revenue would not be available,

therefore, in the same way as it is for lane rental, but the overall costs for utility companies would be lower than lane rental schemes.

- The DfT could issue guidance to help define which roads should be covered by a 'super permit', for example, key route networks, 'A' roads that had a certain level of traffic volume or with particularly high levels of congestion.

Advantages

- This option would give authorities another mechanism for managing congestion on the business roads at the busiest times.
- It would bring the aims of lane rental and permit schemes together so that road works were managed more holistically.
- It would allow roll-out of an additional tool to all local authority areas with permit schemes. It might also encourage those still noticing to adopt permit schemes.
- Permitting plus 'super permits' would deliver other benefits, for example, higher road user satisfaction and more joint works.

Disadvantages

- There would be administration costs associated with varying and setting up permit and 'super permit' schemes.
- There could be additional costs to utility companies who may pass these onto utility customers. The most congested roads may only, however, be a small percentage of the local road network and so these additional costs would be minimal.
- If this options replaced lane rental, Kent County Council and TfL would lose the lane rental revenue they currently receive, and the benefits of this option will be less than the current lane rental schemes.

Is legislation needed?

- Yes, amendments to secondary legislation and guidance would be needed.

Possible mitigation or complimentary measures

- The Government could, at the same time, consider other improvements to the permit regulations, based on feedback from the independent evaluation project that is currently underway and is due to report in November 2017.
- Schemes developed under Option 3 could be tested in a small number of local authority areas before any wider scale roll-out

Other issues: use of surplus funds

2.9 The 2012 regulations require surplus revenue from lane rental schemes to be spent on ways 'to reduce the disruption and other adverse effects caused by the street works'.

2.10 Both TfL and Kent County Council have lane rental funds in place that spend the surplus revenue on a range of projects that, for example, support innovation and new technology by trialling new reinstatement products or improving IT systems; install service ducting alongside busy roads so that it is easier and quicker in future for

utilities to place new apparatus or to maintain it; and to mitigate the impact of major works by providing pedestrian and cyclist access.

- 2.11 TfL has a group made up of representatives from TfL and utility companies who approve bids for funding and oversee delivery of the projects. We believe this is an effective way to govern the management of the fund and would like to see it used in any other areas who may have lane rental schemes in the future.
- 2.12 The Government included the restriction on the use of surplus funds at the time to ensure that lane rental charges paid by utility companies and the authority was spent on road works and in reducing and preventing disruption. We would like to consider, as part of this consultation, whether this restriction should be kept in place or whether the wording could be amended to allow a broader range of congestion reducing initiatives, for example
- spend on other traffic management equipment and techniques that could be used to manage congestion on the local road network, including congestion that might be caused by other issues.
- 2.13 In amending secondary legislation, the DfT would need to be cautious about extending the scope too significantly and going against the spirit of the primary legislation. This would therefore prevent the use of surplus funds for any wider investment in other transport projects, or the complete removal of a restriction.
- 2.14 We would, however, appreciate your views on whether or not surplus funds could be used for wider traffic management measures to help manage congestion, for example, variable message signs, data and information provision that would help the authorities to manage congestion on the wider local road network.

Timescales

- 2.15 The baseline option would come into effect in March 2019.
- 2.16 Other options will need amendments to secondary legislation. This normally takes between 9-12 months.
- 2.17 Once the legislation is in place, the timing and introduction of any new schemes mentioned in Option 3 would depend on the LHA that wanted to adopt them. The development by LHAs and subsequent approval by the Secretary of State of schemes could take between 12-18 months. The LHA would then need to set up and put the schemes in place and to run a trial before the scheme went fully live. This could take a further 12-24 months.
- 2.18 Option 3 would involve the DfT amending regulations and guidance which, in turn, would be subject to further consultation. LHAs would then need to consult, vary and set up schemes.

3. Consultation Questions

- 3.1 We would appreciate your comments and views on the following questions. Please complete the questionnaire here <https://www.gov.uk/dft#consultations> and submit your views online.
- 3.2 The consultation period began on 2nd September 2017 and will run until 28th October 2017. Please ensure that your response reaches us before the closing date.
- 3.3 If you need to print out and send in any written responses, please send them to:
Sally Kendall
Department for Transport
3/29 Great Minster House
33 Horseferry Road
London SW1P 4DR

Or email them to: lane.rental@dft.gsi.gov.uk
- 3.4 When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

4. What will happen next

A summary of responses, including the next steps, will be published within three months of the consultation closing on www.dft.gsi.gov.uk Paper copies will be available on request.

If you have questions about this consultation please contact:

Sally Kendall

Department for Transport

Great Minister House

33 Horseferry Road

London SW1P 4DR

Lane.rental@dft.gsi.gov.uk

5. Consultation principles

The consultation is being conducted in line with the Government's key consultation principles which are listed below. Further information is available at <https://www.gov.uk/government/publications/consultation-principles-guidance>

If you have any comments about the consultation process please contact:

Consultation Co-ordinator
Department for Transport
Zone 1/29 Great Minster House
London SW1P 4DR
Email consultation@dft.gsi.gov.uk