



Surrey Lane Rental Scheme **Year 2 Monitoring Report**

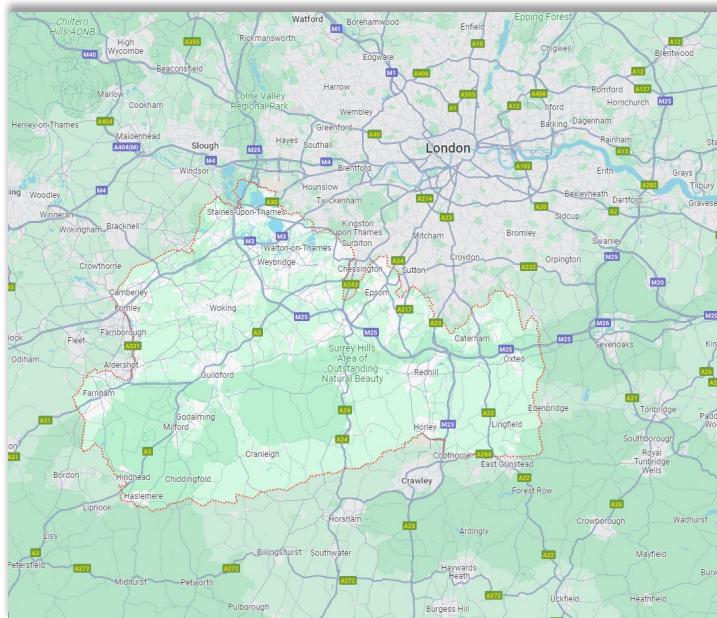
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Foreword

Surrey is a county in South East England which borders Kent to the east, East Sussex to the south east, West Sussex to the south, Hampshire to the west, Berkshire to the northwest, and Greater London to the northeast.

With about 1.2 million people, Surrey is the twelfth most populous English county, the third most populous home county, after Kent and Essex, and the third most populous in the south east, after Hampshire and Kent. Surrey has more organisation and company headquarters than any other county in the UK, with some of the largest fast-moving consumer goods multinationals in the world having headquarters here.



Although the county has many rural areas, 59% of the network comprises urban principal A roads and urban minor roads. As one of the most densely populated counties in the UK, with traffic flows on A roads almost double the national average, transport related problems are a major concern for people living and working in Surrey. Three major motorways and several major roads pass through the county, including the M25 (London Orbital), M3 and M23.

Surrey's network experiences greater levels of congestion than neighbouring authorities in the south east region. The average delay on locally managed A roads in Surrey stands at 44 seconds per vehicle mile, which is 25% higher than the average for the south east region. Motorists in Surrey lose an average of 60 hours per year to congestion. This equates to more than 40 million hours per year lost in total within the county, at a cost of £630 million per year.

A lane rental scheme was applied to the most congested sections of the road network to provide a strong financial incentive for organisations working on the highway, including the Council for their own works, to avoid undertaking works on these roads at peak times, thereby reducing further impact at congestion hotspots.

The evaluation of the initial two years of the Scheme already demonstrates changes in working behaviour for works on the network, leading to quantifiable outcomes and benefits. The implementation and transition of the Scheme has been deemed a success, not only providing more effective network management, but also an opportunity to develop innovation and explore new ways of working and techniques using lane rental income.

Looking ahead, the Council intend to undertake a thorough review of the outcomes and impacts of the Scheme after Year 3, reviewing the scope of the Scheme including the charge levels and the Schedule, taking into consideration the latest guidance from the DfT and how best to deliver an effective and efficient Scheme.

Introduction

Surrey Lane Rental Scheme

On 1st April 2021 Surrey County Council, *the Council*, introduced a lane rental scheme, the Surrey Lane Rental Scheme (SLRS). This scheme complements the Surrey Permit Scheme by providing a new financial incentive for organisations undertaking work (Promoters) on heavily congested roads to work at off-peak times or consider other ways to minimise their impact.

Scheme performance and evaluation

Within the section Scheme Evaluation, Governance and Variation, the SLRS states;

- *The Council recognises the need to share information and evaluate the operational performance of the Scheme, both in terms of its efficiency and the effectiveness to meet the stated objectives.*
- *The Council will publish periodic evaluation reports, and in accordance with any format, or frequency specified in legislation or statutory guidance.*

In addition to this requirement, section 83 of the Department for Transport’s Lane Rental Schemes Guidance for English Local Highway Authorities states;

- *The regulations permit a portion of lane rental revenues to be applied for the purposes of scheme evaluation, and it is expected that evaluation plans will include provision for independent evaluation of scheme performance, including an assessment of the overall balance between costs and benefits arising from the scheme.*
- *In the interests of parity and transparency, representatives of both the highway authority and street works promoters will*

need to be actively involved in monitoring the evaluation process.

The purpose of this document is to provide a monitoring report, to show the progress of the Scheme implementation and any initial indicators of performance over the first two years.

After the third year of operation, an evaluation in-line with Government guidance on evaluation,¹, will be developed considering the efficiency of operation and the effectiveness as a network management tool within the following areas:

Process	<i>What can be learned from how the lane rental scheme was delivered?</i>
Impact	<i>What difference has a lane rental scheme made?</i>
Value-for-money	<i>Is the lane rental scheme a good use of resource?</i>

Undertaking an evaluation after a period of three years would allow process to be adopted and ways of working to develop, the completion of the transition period set out with the Scheme; and to compile data for quantitative evaluation, including work data and traffic-data.

Throughout this evaluation there is reference to terminology that has a specific meaning, as such the reader is directed towards the Key Terminology section in Appendix 1.

¹ <https://www.gov.uk/government/publications/the-magenta-book>

Evaluation Summary



16,491

work phases completed in
Years 1 and 2 on the lane
rental network



84%

planned work outside of
traffic-sensitive times

49%

of charges for urgent or
emergency work



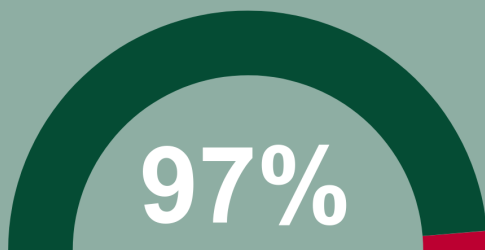
13% to 10%

reduction of work duration impacting
carriageway at peak times



45%

of work inspected
for lane rental
compliance



97%

compliance from lane rental
inspections



Income from lane rental
charges in Years 1 and 2

£4.5million



Surplus revenues
available for projects

£2.9million



Surplus revenue funded
projects

£550,000

Executive Summary

The Council introduced a lane rental scheme in April 2021 to provide a financial incentive for organisations undertaking work (Promoters) on heavily congested roads to work at off-peak times or consider other ways to minimise their impact.

A full evaluation of the lane rental scheme will be undertaken after three operational years (April 2024). This will allow sufficient time for the Council and Promoters to adopt new ways of working, completion of the initial transitional arrangements and to compile data for a quantitative evaluation, *such as work-related process or traffic speeds*.

In the interim, this monitoring report seeks to show progress of the Scheme within the initial two years and to provide any indicators of change, outcomes or impacts.

How has the Scheme been introduced?

Prior to the introduction of the Scheme, the Council undertook a controlled implementation to ensure the Scheme could be operated as efficiently as possible from go-live. This included:

- *recruitment of new staff to coordinate and inspect works on the lane rental network;*
- *system development (outside of Street Manager) for the identification and reconciliation of lane rental charges;*
- *process development within the Council to administer the Scheme;*
- *engagement with representatives from organisations and industry sectors undertaking works in Surrey,*
- *consulting with impacted parties and providing information throughout the process;*
- *providing overviews and training materials for operatives and administrative teams;*

- *developing an operational guidance document to complement the Scheme; and*
- *offering a pre-scheme trial to industry representatives, however this was not deemed necessary.*

Additionally, a governance for the use of surplus revenues (from lane rental charges) was put in place, which has seen bids being reviewed and agreed, leading to several successful projects.

Once the Scheme was in legal effect a series of monthly meetings were established with Promoter representatives to discuss and resolve any operational issues. From the outset the need for these meetings was low, *with a few minor issues or clarifications discussed*, and they subsequently changed to a 3-month meeting.

The 3-year evaluation will consider the implementation of the Scheme in more detail, including the qualitative views of Promoters and other stakeholders. However, this report clearly demonstrates that new ways of working have been successfully adopted through process related indicators and the Scheme is being operated efficiently.

Has lane rental reduced work undertaken?

The lane rental scheme is not intended to reduce work undertaken by Promoters to maintain their apparatus or the Highway, or to provide new services or other infrastructure, *such as housing*. One potential disbenefit of a scheme could be Promoters choosing to undertake work in other areas, *to avoid charges*.

Analysis shows that the volume of planned work has not changed significantly in the first two Scheme years, when compared to pre-scheme levels.

More detailed analysis within Promoter sectors shows differing levels across the four years of analysis, however this indicator does not suggest a change before or after the Scheme.

The volume of unplanned work, Immediate, for urgent or emergency purposes, has changed dramatically over the period of analysis (2019-2023), however this is primarily a result of the way Highway Immediate work permits are submitted into Street Manager, as separate jobs and not as a collection of jobs along a single street. The other Promoter sectors show variance, but this is considered appropriate for the nature of these works.

Another potential dis-benefit of a lane rental scheme is a Promoter using the Immediate work category inappropriately to avoid charges (for the first 2 days of work). This realisation of this dis-benefit is not obvious from this initial analysis.

Has lane rental reduced work at peak times?

In July 2020 the DfT introduced a new digital service for recording and managing works, in addition to some regulatory changes to improve information provided by Promoters. Comparing work undertaken prior to the introduction of lane rental is limited by availability of accurate works data for start and stop times before Street Manager – only the period July 2020 to April 2021 can be used.

There is a noticeable decrease within the first two Scheme years in the volume of works undertaken with any occupation at peak times (26% pre-scheme and 17% in Scheme year 2). In addition, the aggregated occupation at peak times (as a proportion of the total duration) is lower compared to pre-scheme years (12.5% pre-scheme and 9.9% in Scheme years 1 and 2).

Planned work involving any duration at peak times on traffic-sensitive designated streets without lane rental have increased slightly compared to pre-scheme (30% pre-scheme to 32% in Scheme year 2). The aggregated occupation has however decreased (12.7% pre-scheme to 11.8% in Scheme year 2). This decrease is not as much as the lane rental designated streets.

Further analysis of work delineated by duration bands shows a decrease in the volume of work for all bands. Whilst this is to be expected for shorter duration work as a Promoter can avoid peak hours, i.e. 10:00 – 16:00, 19:00 – 07:00 or working at the weekend, it is surprising to also see a reduction in longer duration works.

This is primarily attributed to a permit condition for timing to ensure the carriageway remains clear at peak times where possible, for example works are stopped and temporary traffic lights are removed between 07:00 – 10:00 and 16:00 – 19:00.

As a result, the volume of work with a permit condition for timing has increased (55% in the year before the Scheme to 80% in Scheme year 2). The use of this timing condition has also increased on traffic-sensitive streets without a lane rental designation, but not to the same level as a lane rental street (63% compared to 80% in Scheme year 2).

In addition to the changes in the application of a permit condition for timing, analysis shows an increase in planned work undertaken out of hours (19:00 – 07:00) and at the weekend.

Has lane rental reduced overall occupation of the highway?

Effective analysis of work durations is difficult as there are many factors to consider when comparing works, *such as work being undertaken, road specific materials, the use and availability of workforce, plant, materials, and other resources.*

In addition, pre-scheme analysis of duration using work start and stop times is limited to the period from the start of Street Manager (July 2020 to March 2021 inclusive).

Indicators within this report for planned work duration, based on Promoter sector and work category, demonstrates the varying scale of each individual work.

Trend analysis provides an indicator of any sustained change in durations across the period of analysis (July 2020 to March 2023). From this it can be observed that the higher volume minor works are showing a decreasing trend for Electricity, Telecoms and Water works, which is a positive indicator.

Highway Authority work is showing an overall increasing trend; however, this should be considered within the context that the average duration is typically less than one day, and a significant proportion of these works can be undertaken outside of peak hours.

Indicators within this report for Immediate work duration also demonstrate differences between Promoter sectors.

Electricity and Gas sector works are typically fewer, but longer in duration and the duration trend analysis does not show any conclusive results.

Highway Authority sector works are typically shorter in duration and avoid peak-times (only 1% of total work incurred a lane rental charge).

The higher volume Water sector Immediate works are showing an average duration of 3 days, with a decreasing trend.

Whilst these indicators show some overall potential changes under a lane rental scheme, with positive results, the evaluation after Scheme year 3 should provide the opportunity to a more granular analysis across a longer period of time.

Has lane rental improved collaboration between Promoters?

One of the expected outcomes of lane rental was an increase in collaboration between Promoters – to seek a reduced charge through a discount.

Whilst the indicators show that the proportion of work with a form of collaboration has increased, the proportion of total work duration under a form of collaboration has decreased (6.3% per-scheme and 5.4% in Scheme year 2).

A discounted charge was only applied to 38 works in the two Scheme years (309 days of duration). This result is disappointing and an area of focus in future years of Scheme operation.

It is accepted that many of the longer duration Major works undertaken within Scheme years 1 and may have been agreed in advance of the lane rental scheme go-live and subject to a waiver through the transitional arrangements.

Do Promoters comply with the lane rental scheme?

Across the first two Scheme year, the Council inspected 45% of work phases undertaken on lane rental streets (excluding works with a short duration and undertaken wholly at the weekend) with 34% having more than one inspection. with many works having more than one inspection on different stages of the work.

These inspections were to ensure the working arrangements were being adhered to, such as working outside peak times or returning the highway to normal use during peak times.

Of these inspections, 97% passed, with most failures for work impacting the carriageway at lane rental times where it had been agreed there would be no impact.

These indicators would suggest that Promoter compliance to the Scheme was high given the volume of work inspected and the very low failure rate.

How much revenue has the lane rental scheme generated?

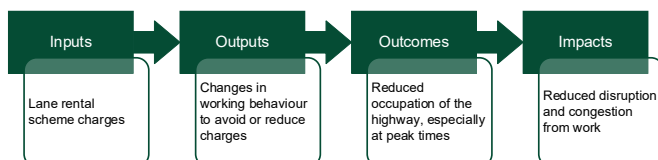
In the first two years of operation, the Scheme generated an income of £4.5million from charges. After the removal of costs to operate, administer and evaluate the Scheme the surplus revenue available for street work specific projects was £2.9million.

In Year 2, £550,000 was issued to projects, with a balance of £2.4million carried into Year 3.

Changes from a Lane Rental Scheme

Lane Rental Theory of Change

A theory of change outlines how an intervention, *in this case a lane rental scheme*, is expected to lead to outcomes and impacts, ideally positive benefits for the road users.



This monitoring report considers Scheme performance predicated on the outputs from a lane scheme - change in working behaviour to avoid or reduce charges.

Whilst some of the analysis for this report will show quantifiable outcomes – reduced occupation of the highway, especially at peak times – impacts, both positive or negative, will be further quantified and assessed within an evaluation after Year 3.

Scheme Review

To ensure the outcomes and impacts of the Scheme are fully realised the Council need to continually review the application of the Scheme. This would include a review of:

- the scope of the Scheme (legal Order);
- whether the charge levels remain proportionate and deliver the expected outputs and outcomes;
- the Schedule (where and when the Scheme is applied); and
- the operation of the Scheme, including any operational guidance.

Prior to the introduction of the SLRS, the Council developed an Evaluation Plan. The purpose of this Plan was to provide a level of commitment that the Council would *demonstrate the operation is achieving these commitments whilst providing transparency on the governance of the scheme.*

This report is intended to provide early indicators of performance, prior to a full evaluation.

The initial two years of Scheme operation have provided ideal opportunity to embed new ways of working with Promoters and the administration of the Scheme by the Council, including governance for the use of surplus revenues from lane rental charges.

From the outset of the Scheme regular meetings were established with the Council's Traffic Manager and Promoter leads, to review any operational issues related to the Scheme. The need for these meetings, and therefore the frequency, reduced quickly to become a standard 3-month (quarterly) meeting.

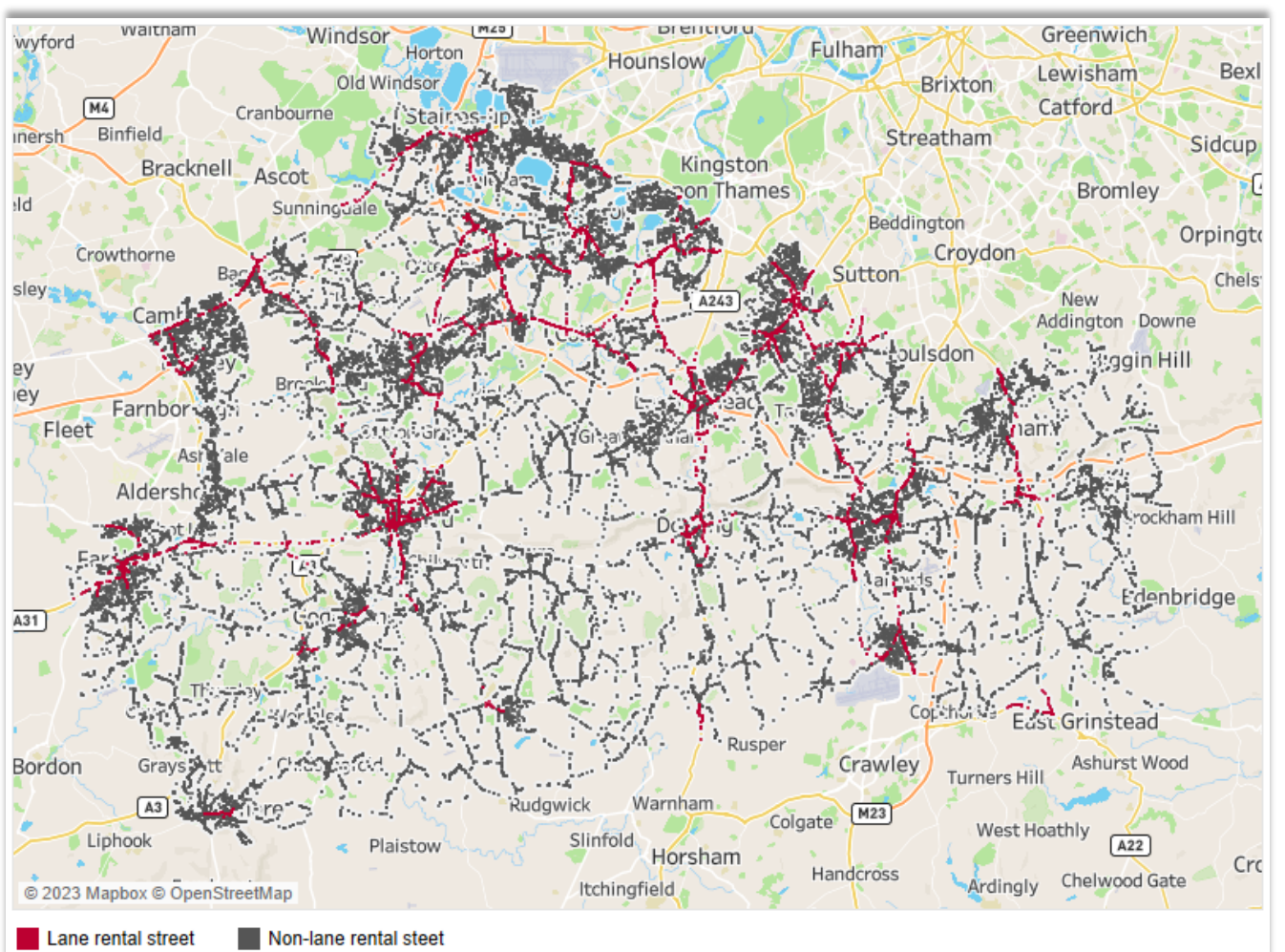
An operational guidance document was issued prior to the introduction of the Scheme which was well received amongst the Promoter community.

One change was applied to the operational guidance document within Year 1, to extend the lane rental charge codes to include more categories. This was issued as an addendum to version 1 of the Operational Guidance.

Whilst the Council intend to undertake a thorough review of the outcomes and impacts of the Scheme within an evaluation after Year 3, indicators suggest the Scheme is already realising the intended outcomes.

It is the Council's intention to consider the scope of the Scheme, including the charge levels and the Schedule within the Year 3 evaluation, taking into consideration the latest guidance from the DfT and how best to deliver an effective and efficient Scheme.

Work on lane rental streets



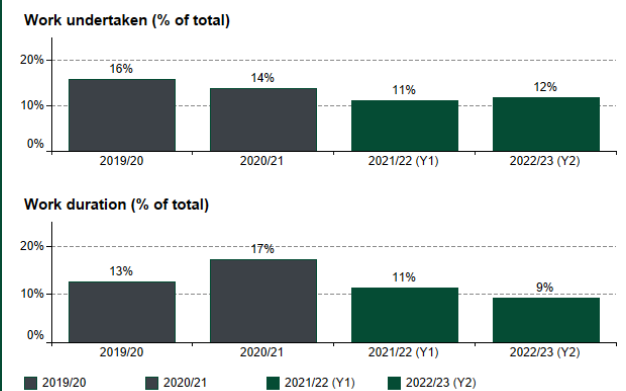
The lane rental network comprises 7.5% of Surrey’s road network, covering 323 streets and 426 kilometres in length. The map above shows the works across the County in Scheme years 1 and 2, highlighting the sections where lane rental is applied.

Prior to the introduction of the Scheme a larger proportion of all works impacting the carriageway were undertaken on the lane rental streets compared to the 11% in Years 1 and 2.

Analysis shows that the proportion of work duration also decreased in Years 1 and 2.

Work undertaken and duration

The charts below show the % (of total) work undertaken per year across Surrey on lane rental streets by volume [top] and duration (calendar days) [bottom].

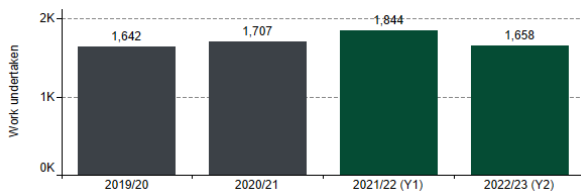


Analysis of Planned work

Across four years of analysis (2019/20 to 2022/23) the volume of planned work undertaken on the SLRS has seen minor variation.

Planned work (April 2019 to March 2023)

The chart below shows the number of planned works undertaken by year on lane rental streets.



When analysing planned work by Promoter sector the overall volumes have remained broadly similar, allowing for pandemic restrictions and natural fluctuations through work schedules and demands. The exception is for Highway Authority and Telecoms work.

A peak in Highway Authority work between 2020 and 2022 is attributed to many factors, which include, post-pandemic recovery, impact from weather, such as for drainage and vegetation work, together with focused Council prioritised investment across the County.

The Telecoms sector increase is attributed to the fibre build works to deliver the national broadband rollout.

One of the potential disbenefits from lane rental is a disincentive for Promoters to undertake work - to maintain or install new apparatus in other areas to avoid increased potential cost through charges.

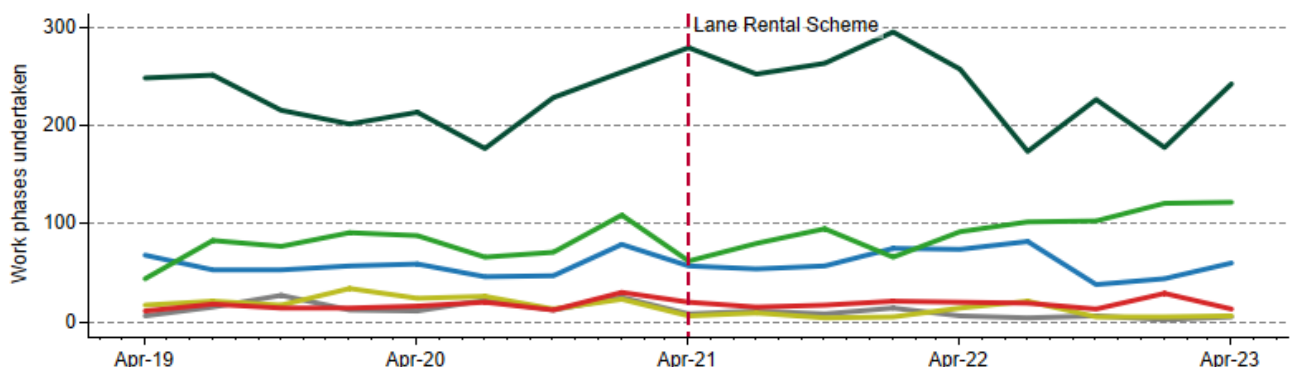
It is therefore positive to observe that this disbenefit does not seem to have been realised in the initial years of the Scheme. This will need to be assessed fully within the Year 3 evaluation and monitored across future years of the Scheme.

Although the overall volume of planned work has remained broadly similar across the period of analysis, there is a noticeable decrease in the total duration in Years 1 and 2.

Whilst this can initially be viewed as a positive indicator, more detailed analysis is required to determine whether this is because of the lane rental scheme or other factors.

Planned work by Promoter sector

The chart below shows planned works undertaken across the period April 2019 to March 2023 inclusive for each Promoter sector. The period (month) is set by the actual start date of work.



■ Electricity ■ Highway Authority ■ Telecoms
■ Gas ■ Other ■ Water

Work outside of traffic-sensitive times

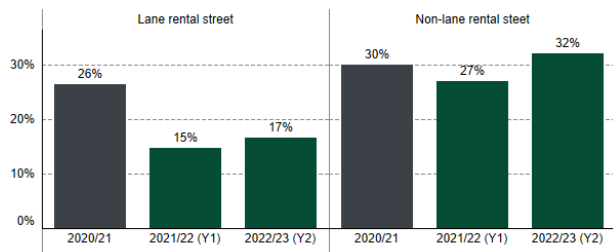
One of the expected outcomes of a lane rental scheme is more work undertaken outside of peak times. For the context of the analysis, it should be noted that peak times align to the traffic-sensitivity designation timings, as follows:

- On streets with lane rental designations midweek only, 30 hours (18%) of the total 168 hours are designated as peak times.
- On streets with lane rental designations midweek and Saturday (10:00 – 16:00) 36 hours (22%) of the total 168 hours as designated as peak times.

Analysis of work with and without the Scheme, together with work on traffic-sensitive streets with and without a lane rental designation should provide a quantifiable outcome.

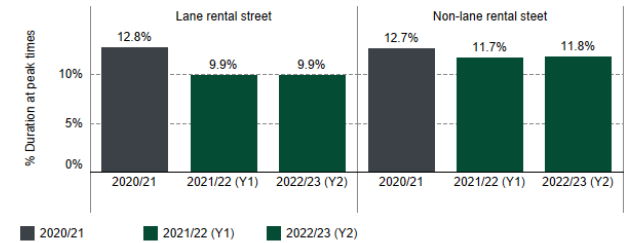
% of planned work at peak times

The chart below shows the proportion of work undertaken (% of total) involving any occupation at peak time on lane rental streets and non-lane rental streets (with a traffic-sensitivity designation). The period is set by the start date of work.



% of planned work duration at peak times

The chart below shows the total duration of planned work undertaken during peak times on lane rental streets and non-lane rental streets (with a traffic-sensitivity designation). The period is set by the actual start date of work.



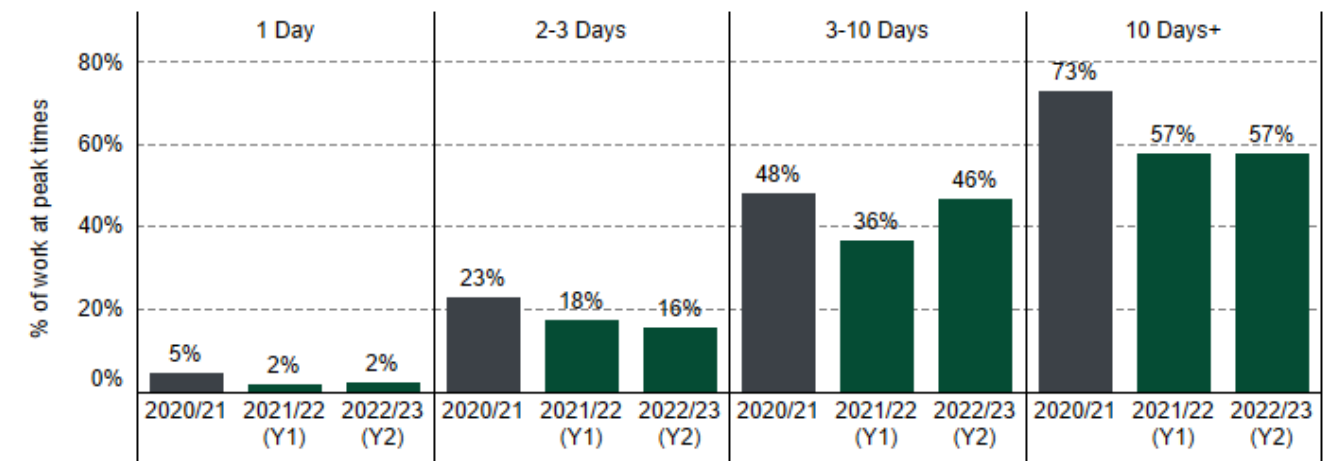
As shown in the analysis, the overall volume of planned work at peak times has decreased under a lane rental scheme.

There has also been a decrease on the non-lane rental streets with a traffic-sensitivity designation, but this is significantly less than on the lane rental streets.

The opportunity to avoid working at peak times will vary depending on the planned duration of the work, i.e. a short duration pothole repair could be undertaken off-peak, however it would be more difficult for road resurfacing work over 5 days to avoid peak times. Therefore, delineating work by duration band could provide more insight into this outcome.

% of planned work duration at peak times by duration band

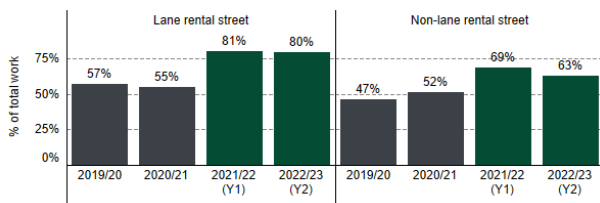
The chart shows the proportion of work undertaken, by Scheme year, delineated by duration band.



Whilst it seems impossible for Promoters to avoid lane rental charges where work is over one day, Promoters can agree arrangements to avoid lane rental charges by not impacting the carriageway at peak times. These arrangements are applied as permit conditions, typically through a timing condition.

Use of timing condition (NCT2a) on planned work

The chart below shows % of planned work undertaken with a timing condition (NCT2a) on lane rental streets and non-lane rental traffic-sensitive streets.



Analysis shows the use of a timing condition (NCT2a) on planned work has increased on the lane rental streets under a Scheme. Whilst these arrangements could be applied under a permit scheme, it can be assumed that lane rental has provided financial incentive to agree and formalise these arrangements between the Council and Promoters.

It is interesting to note that the use of these arrangements has also increased in non-lane rental streets, which is potential indirect outcome of the Scheme.

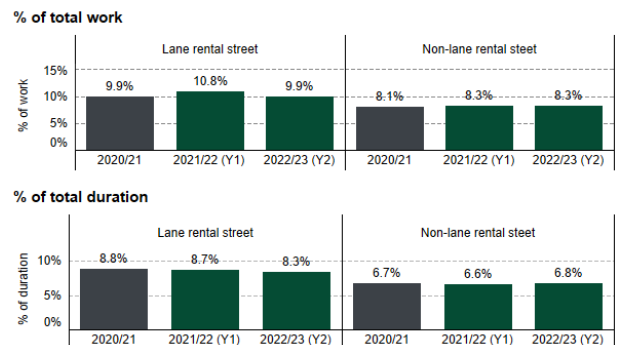
Work at the weekend

Of the 326 streets designated with lane rental, only 36 have a charge applied at the weekend (Saturday only 10:00 – 16:00). As such, there is an aspiration that Promoters would undertake more planned work at weekends to avoid the busier weekday periods.

Although the overall volume of work at the weekend does not show a clear change, more granular analysis by Promoter sector shows some more noticeable changes, especially within the Electricity and Water sectors.

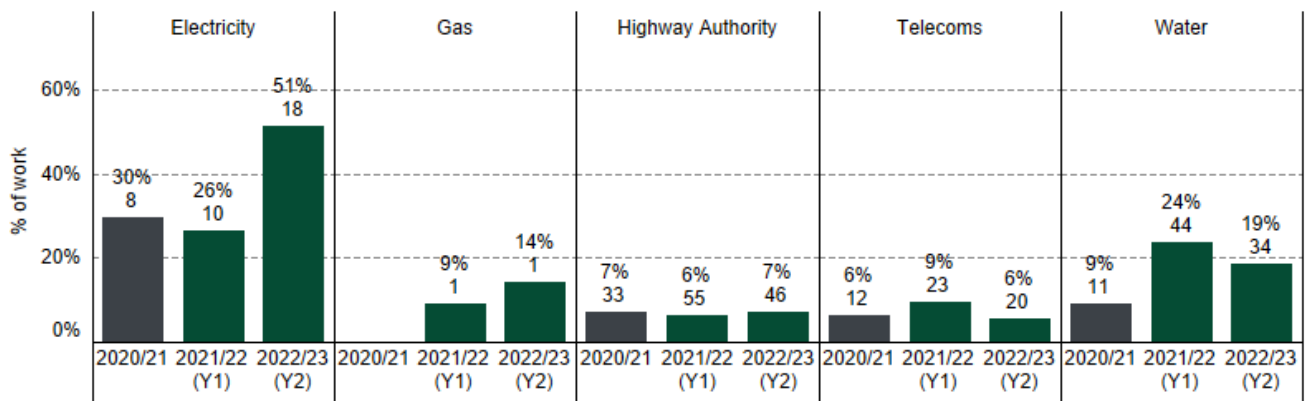
Planned work (3 days of less) undertaken at the weekend

The charts below show planned work of 3 days duration or less undertaken at the weekend as a % of total (left) and total duration (right). The charts are delineated by lane rental streets and non-lane rental streets with a traffic-sensitive designation.



Planned work (3 days of less) undertaken at the weekend by Promoter sector

The chart below shows works at the weekend (as a % of total) on lane rental streets by Promoter sector. The period (year) is defined by the actual start date.



Work out of hours

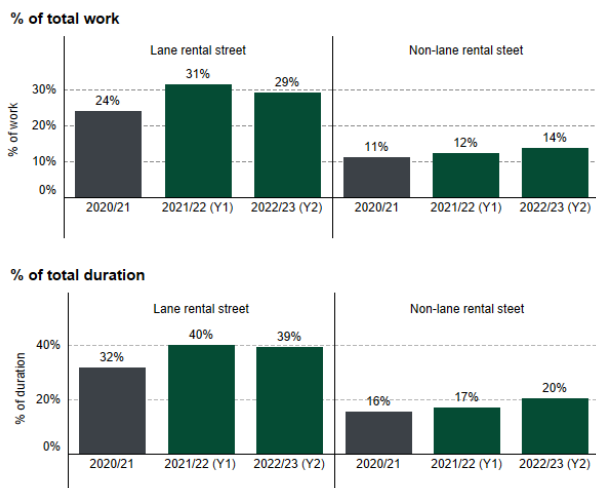
To avoid working at peak times, Promoters can consider undertaking works out-of-hours (19:00 – 07:00) as this provides opportunity for longer work periods than between the AM and PM peak day periods (10:00 – 16:00).

There are potential limitations to working at these times, which include noise and light pollution impacting nearby residents and safety for the workers.

Planned work (<12 hours) undertaken out of hours

The charts below show work with a duration of 12 hours or less, undertaken between 19:00 and 07:00 as a % of total work by volume (top) and duration (bottom).

The charts delineate lane rental streets and non-lane rental streets (with a traffic-sensitive designation).



Analysis shows that the overall proportion of work and duration undertaken at weekends has increased under lane rental. Traffic-sensitive streets without a lane rental designation also saw an increase, however the overall proportion of work remains lower than lane rental streets.

Duration of planned work

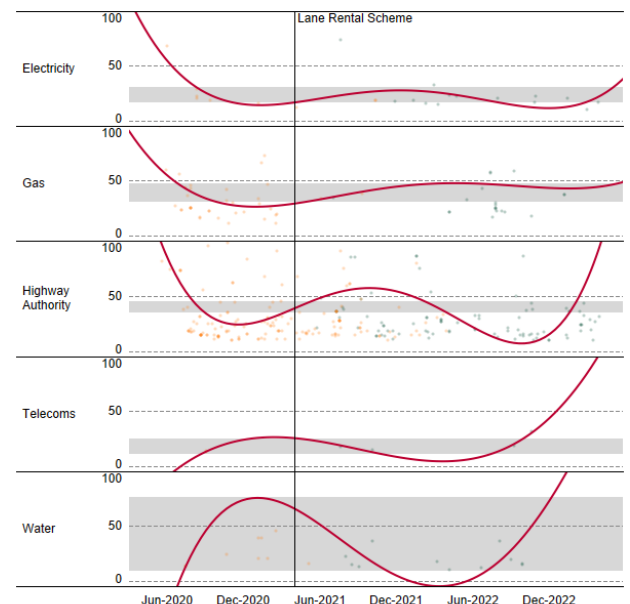
Analysis of duration by sector considers the duration of the three work categories: Major, Standard and Minor, using average duration and trend analysis for the period without-scheme (July 2020 to March 2021) and with-Scheme (April 2021 – March 2023). Refer to the methodology for further explanation of the average and trend analysis.

This analysis is primarily seeking to identify any initial trends in duration and key characteristics within these categories.

The Year 3 evaluation will seek to analyse durations based on specific work designations, such as new service connections, mains replacements or remedial works, within the work categories. This approach should enable a more relative comparison of work with and without the Scheme.

Major work durations (over 10 days)

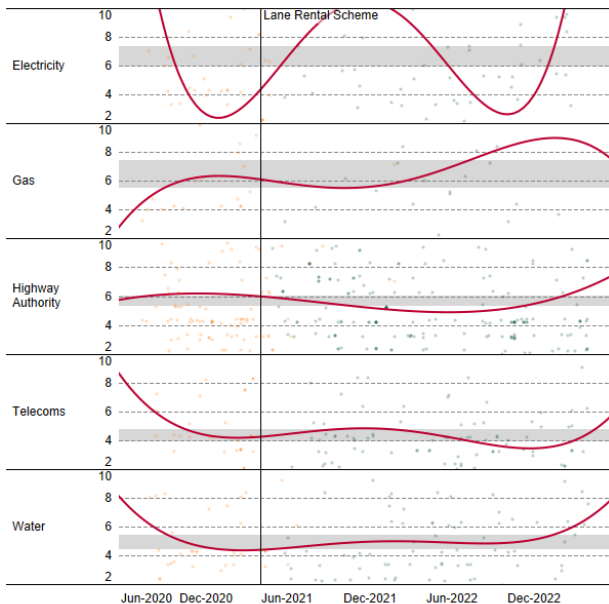
The chart below shows Major works (over 10 days) duration in days (dots) from July 2020 to March 2023 with a trend line (red-solid) and average duration band (grey) across this period.



The sample size for Major work durations contains 2,581 works, the majority of which are for Gas (999) and Highway Authority (922).

Standard work durations

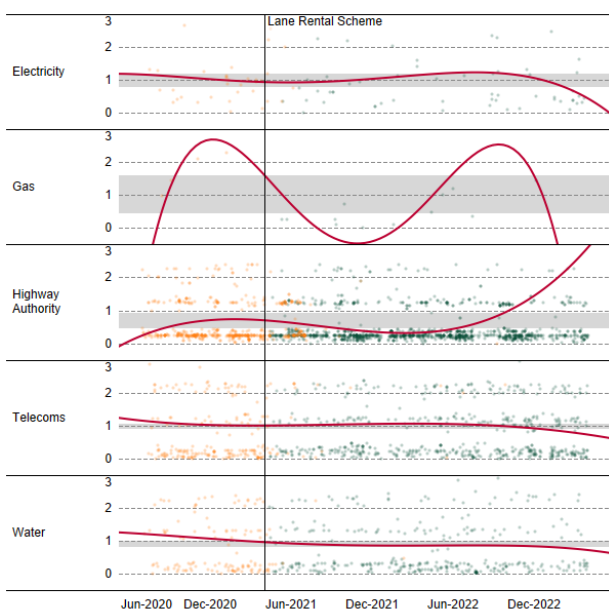
The chart below shows Standard work duration in days (dots) from July 2020 to March 2023 with a trend line (red-solid) and average duration band (grey) across this period.



The sample size for Standard work durations contains 5,984 works, the majority of which are for Highway Authority (1,295), Telecoms (1,198) and Water (1,926) sectors.

Minor work durations

The chart shows Minor work duration in days (dots) from July 2020 to March 2023 with a trend line (red-solid) and average duration band (grey) across this period.



The sample size for Minor work durations contains 15,969 works, the majority of which are for Highway Authority (6,412), Telecoms (6,110) and Water (2,559) sectors.

Some of the initial analysis provide positive indicators for lane rental benefits, such as:

- Electricity and Gas Major work showing a decreasing trend;
- Electricity, Telecoms and Water Minor work durations showing a decreasing trend;
- Average durations of Minor works below one day thereby allowing Promoters to work in the interim peak hours (10:00 – 16:00), out-of-hours or over a weekend;

Overall, the analysis demonstrates variances between work categories and Promoter sectors, representing the differing work designations and the need to base evaluation on these.

Collaboration between Promoters

A key outcome of the Scheme is for Promoters to collaborate with their work, with the aim for parallel or continuous work sites to reduce the overall impact on the road user.

The Scheme therefore includes a discount for charges where Promoters collaborate, either with other Promoters or within their internal workstreams.

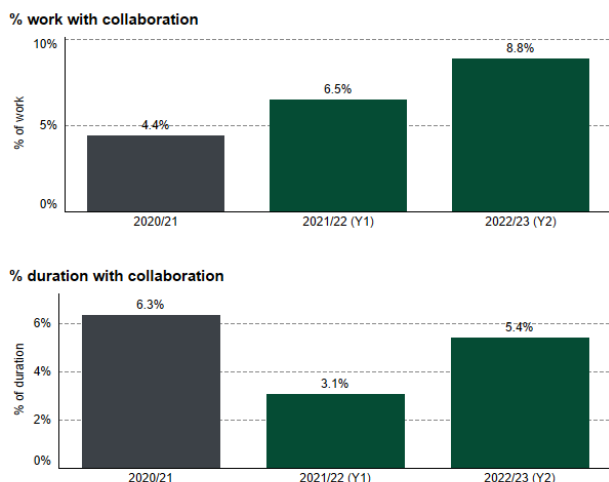
Although there are 10,000's works undertaken across Surrey in a typical year, opportunity for collaboration is very low.

This is mainly due to reactive work to meet customer demand or for urgent or emergency repairs and short application lead times or the lack of forward planning information for work programmes.

In Year 1 on the lane rental streets 1.35% of planned work had a potential for collaboration.

Planned work with collaboration

The charts below show % (of total) planned work on the lane rental network with a form of collaboration by (top) volume and (bottom) duration.

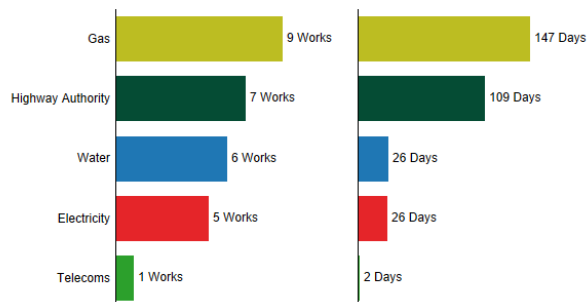


Whilst the proportion of work with a form of collaboration increased under a lane rental scheme, the proportion of duration decreased.

Analysis of collaboration by Promoter sector shows that Highways undertake the most collaboration, typically with other Highways workstreams, such as vegetation cutting.

Works with discounted change for collaboration

The chart below shows total works undertaken in Years 1 and 2 with a discounted charge for collaboration and the duration of works.



The Scheme offers further incentive for collaboration through a charge discount. In the two Scheme years this was only applied to 28 works (309 days of duration).

The use of discounts for collaboration is expected to increase from Year 3 once the transition arrangements for major scheme works have completed and more schemes planned in Years 1 and 2 commence.

Analysis of Immediate Work

The Scheme includes a provision for Immediate work whereby lane rental charges will apply on and from the third calendar day of work.

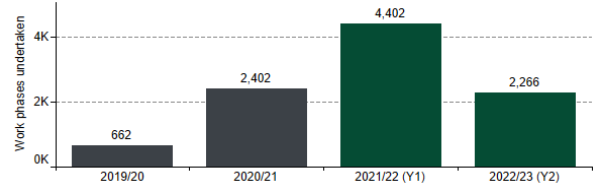
Analysis shows a significant increase in Immediate works between 2019 and 2022 which is primarily attributed to an increase in Highway sector work.

When these works are removed from the totals, the remaining utility sector Immediate works show natural highs and lows, with the Water sector contributing the highest proportion of work.

This increase should not be viewed as an increase in the actual emergency or urgent work undertaken by this sector. Instead it is a result of process and system changes, whereby reactive maintenance works, *such as pothole repairs following an asset inspection*, are recorded individually instead of collective group of work.

Immediate works undertaken

The chart below shows the number of Immediate works undertaken on lane rental streets from April 2019 to March 2023.

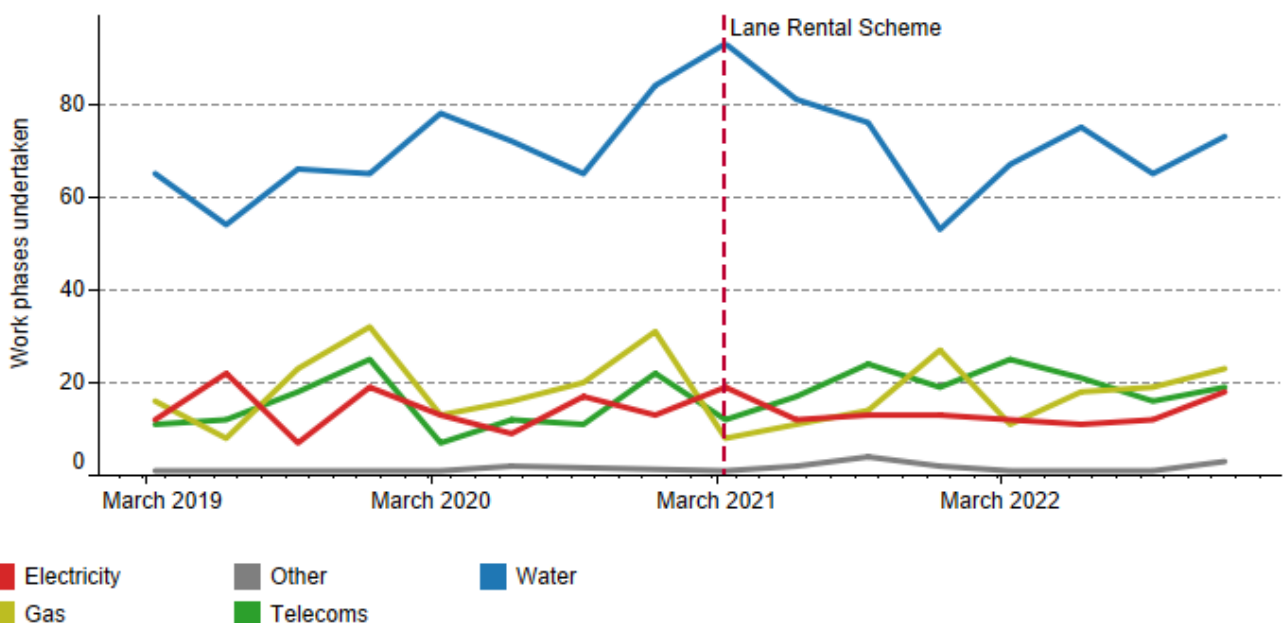


Analysis of Immediate work by sector, excluding Highway, shows a more consistent level of work in-line with seasonal trends, e.g. *gas main bursts during colder periods, and summer periods for water mains*.

One potential dis-benefit of a lane rental scheme is a Promoter using the Immediate work category inappropriately to avoid charges (for the first 2 days of work). This realisation of this dis-benefit is not obvious from this initial analysis.

Immediate work phases undertaken by sector without Highway Authority

The chart below shows the work phases across the period April 2019 to March 2022 inclusive for each Promoter sector colour coded. The period (month) is set by the actual start date of work. Highway Authority works have been removed from this chart to show the other sectors in more detail.



Immediate work duration by sector

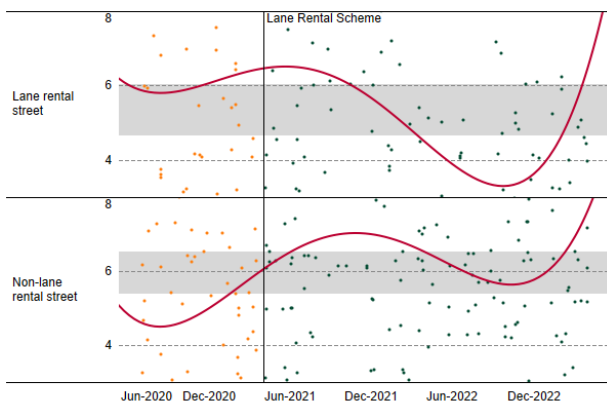
Analysis of duration by sector considers the duration of each work, using average duration and trend analysis before-scheme (July 2020 to March 2021) and with-Scheme (April 2021 – March 2023). Refer to methodology section for further explanation of this analysis.

The analysis compares works on the lane rental streets with works on traffic-sensitive streets without a lane rental designation.

There are 65 Other sector works for analysis, which does not represent a sufficient sample for analysis. None of these works received a lane rental charge.

The charts below show Immediate work durations in days (dots) from July 2020 to March 2023 with a trend line (red-solid) and average duration band (grey) across this period.

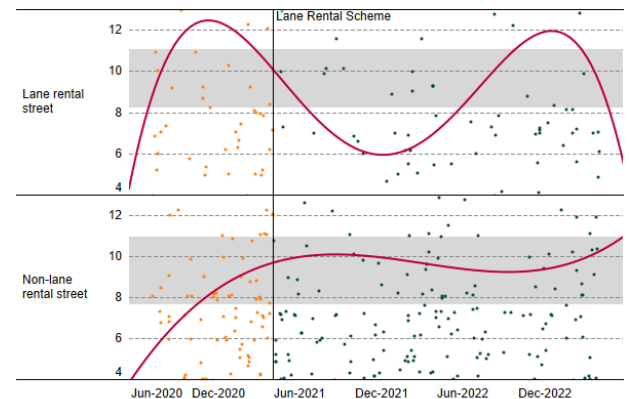
Electricity sector Immediate work



Analysis of Electricity sector includes 395 works (271 from April-21) and shows a similar duration trend within both street types.

There is a difference between the average duration band, which is lower on lane rental streets. 63% of Electricity works resulted in a charge.

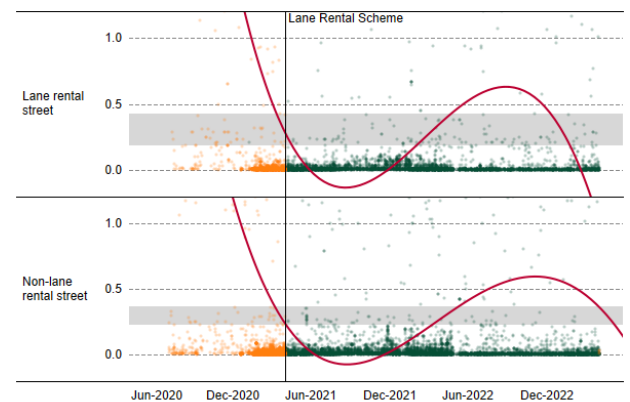
Gas sector Immediate works



Analysis of Gas sector includes 564 works (393 from April-21). The duration of works on lane rental streets shows a decline the winter of 2021 which is not shown on non-lane rental streets.

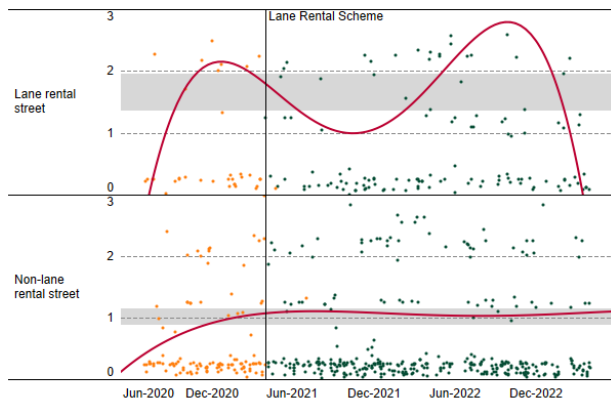
The duration band is very similar on both streets, albeit slightly higher on the lane rental streets. 62% of Gas works resulted in a lane rental charge.

Highway Authority Immediate work



Analysis of Highway sector includes 20,657 works (15,815 after April-21). The average duration and trend remains very similar on both street types, with an initial decline after the introduction of the Scheme followed by a gradual increase. 1% of Highway works resulted in a lane rental charge.

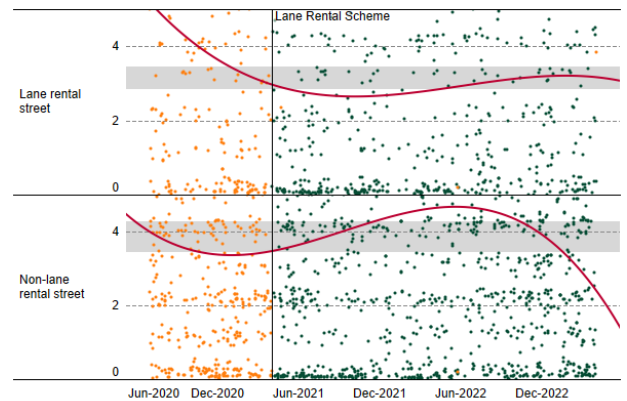
Telecoms sector Immediate works



Analysis of Telecoms sector includes 708 works (540 after April-21). There are noticeable differences between the average duration band and the trend line – the latter remaining constant since the start of the Scheme, whilst the trend on lane rental streets shows changes during the winter and summer months.

73% of Telecoms sector work resulted in a lane rental charge.

Water sector Immediate works



Analysis of Water sector includes 2,464 works (1,774 after April-21). There are noticeable differences between the average duration within the different street types – with a lower average on lane rental streets. The trend shows a lower average on the lane rental streets.

37% of Water sector work resulted in a lane rental charge.

Analysis of Compliance

For the lane rental scheme the Council introduced a new type of inspection for **lane rental compliance**.

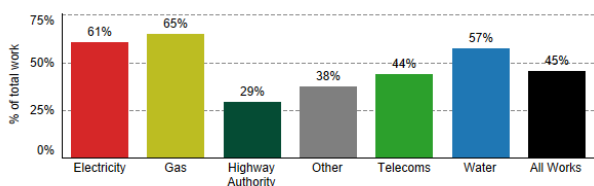
The purpose of this inspection is to ensure work is undertaken in accordance with the agreed arrangements, *either work being subject to charge or avoiding a charge*. The compliance checks would include:

- work is not impacting the traffic flow of the carriageway;
- work is being undertaken in accordance with the agreed times;
- work has started and completed in accordance with the agreed times and those issued on the start and stop notices.

Across both Scheme years 3,827 works had at least one compliance inspections, with 34% having multiple inspections. Even if a work is not expected to incur a lane rental charge, *e.g. it does not impact the carriageway*, there is still an inspection to ensure this compliance.

% of work with a compliance inspection

The chart shows the % (of total) work phases in Years 1 and 2 with a compliance inspection by sector. Works with a short duration (< 2 hours) and out-of-hours (19:00 – 07:00) have been excluded.



These inspections resulted in 45% of all works (excluding short duration and out-of-hours) being inspected for compliance. In comparison, within the same period 11.5% of works on streets without a lane rental designation had a live site inspection.

The current inspection regime is primarily focused on work undertaken during week days within normal working hours (08:00 – 17:00).

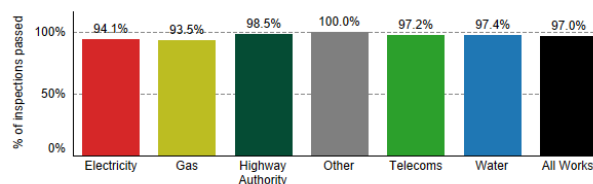
The Council are considering further additional resource to progress to an even higher level of works inspected.

In consideration to parity treatment, the volume of Highway Authority work inspected appears low. This is caused by a higher volume of total works (multiple permits for works in same street) and a much larger proportion of shorter duration work.

Of the total works inspection only 113 works had a recorded non-compliance, therefore resulting in an overall pass rate of 97%.

Lane rental compliance inspections with a pass (% of total) by sector

The chart below shows the number of compliance inspections with a pass (from % of total inspections) for works started and completed in Year 1. The results are delineated by Promoter sector.

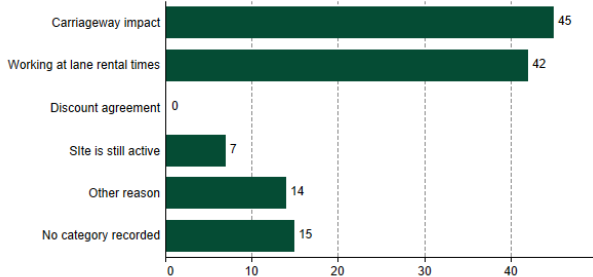


Any inspection failures are categorised into five distinct categories:

1. The work is not adhering to the working arrangement in relation to avoiding impact to the carriageway;
2. The work is not adhering to the working arrangement in relation to avoiding working at lane rental times;
3. The work is not adhering to the working arrangement in relation to discounts;
4. An active site should be closed or has been notified as closed; or
5. The failure reason is not covered by the defined categories (above).

Reason for lane rental non-compliance failure

The chart below shows the reason recorded for lane rental compliance inspections with a non-adherence result in Year 1.



In Year 1 no category was recorded on 15 inspections, which reflects the adoption of new ways of working required to administer the Scheme.

The primary reasons for non-compliance were; work impacting the carriageway; and work at lane rental times.

Lane Rental Charges

To administer the Scheme the Council introduced charge codes to denote the following arrangement for each work:

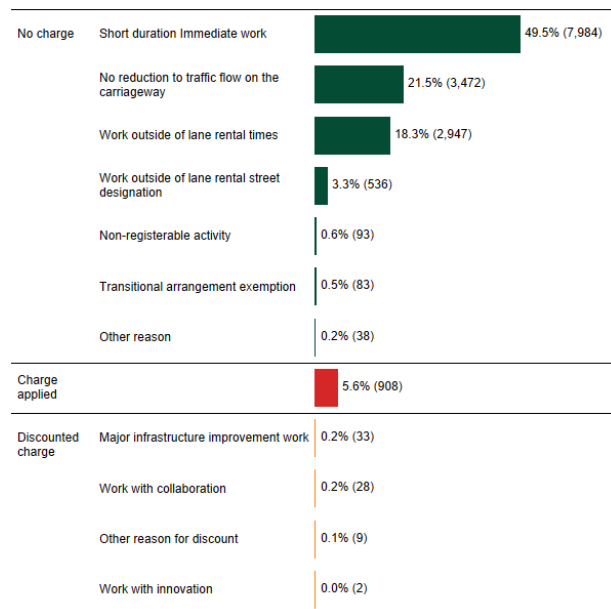
- why a charge would not apply;
- why a work would be liable for a charge and the reason why a charge would apply; or
- why a discounted charge would apply.

Whilst the codes provide an **indicator** of the charges, the actual work may lead to a change, for example a Promoter may not intend to work at a peak time, but is delayed, runs into peak time and incurs a charge.

These codes helped enable the compliance inspection regime so an Inspector could immediately check the worksite to the arrangements (code).

Charge codes for work undertaken

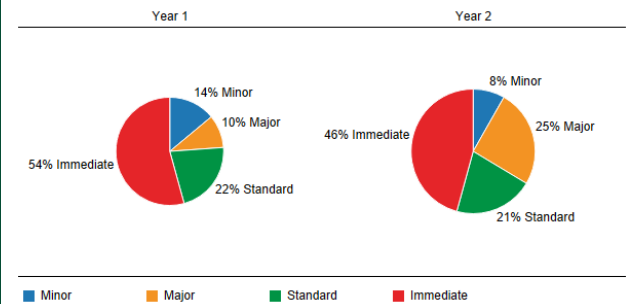
The chart below shows the breakdown of charge codes applied to work phases started in Years 1 and 2 as a % of total phases.



In Years 1 and 2, 898 works had a lane rental charge. This included 65 works with a discounted charge, which was lower than anticipated pre-Scheme.

Charges by work category

The charts below shows the breakdown of total charges per Year by work category.



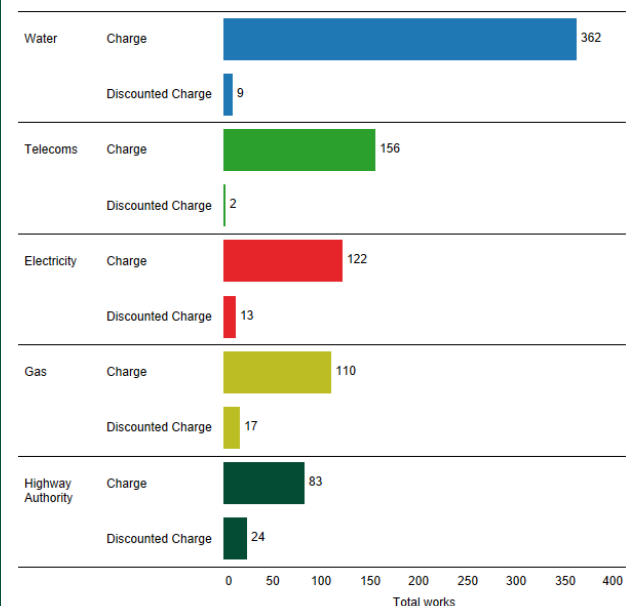
In Years 1 & 2 Immediate works account for 49% of total charges.

Major work accounts for 19% of the charges, with an increase from 10% in Year 1 to 25% in Year 2.

The changes shown are primarily attributed to the transitional arrangements provided in the Scheme design.

Charges applied by Promoter sector

The chart below shows works with a lane rental charge, including a discounted charge, in Years 1 and 2 by Promoter sector.

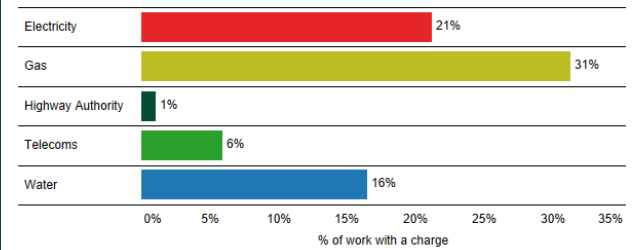


There are noticeable differences between the % of work with a charge by Promoter sector (refer to chart right), which demonstrates differing works undertaken across the sectors

The low proportion of work with a charge for the Highway sector is attributed to the high volume of work undertaken with a short duration, for routine maintenance and emergency repairs, typically undertaken outside of peak-time.

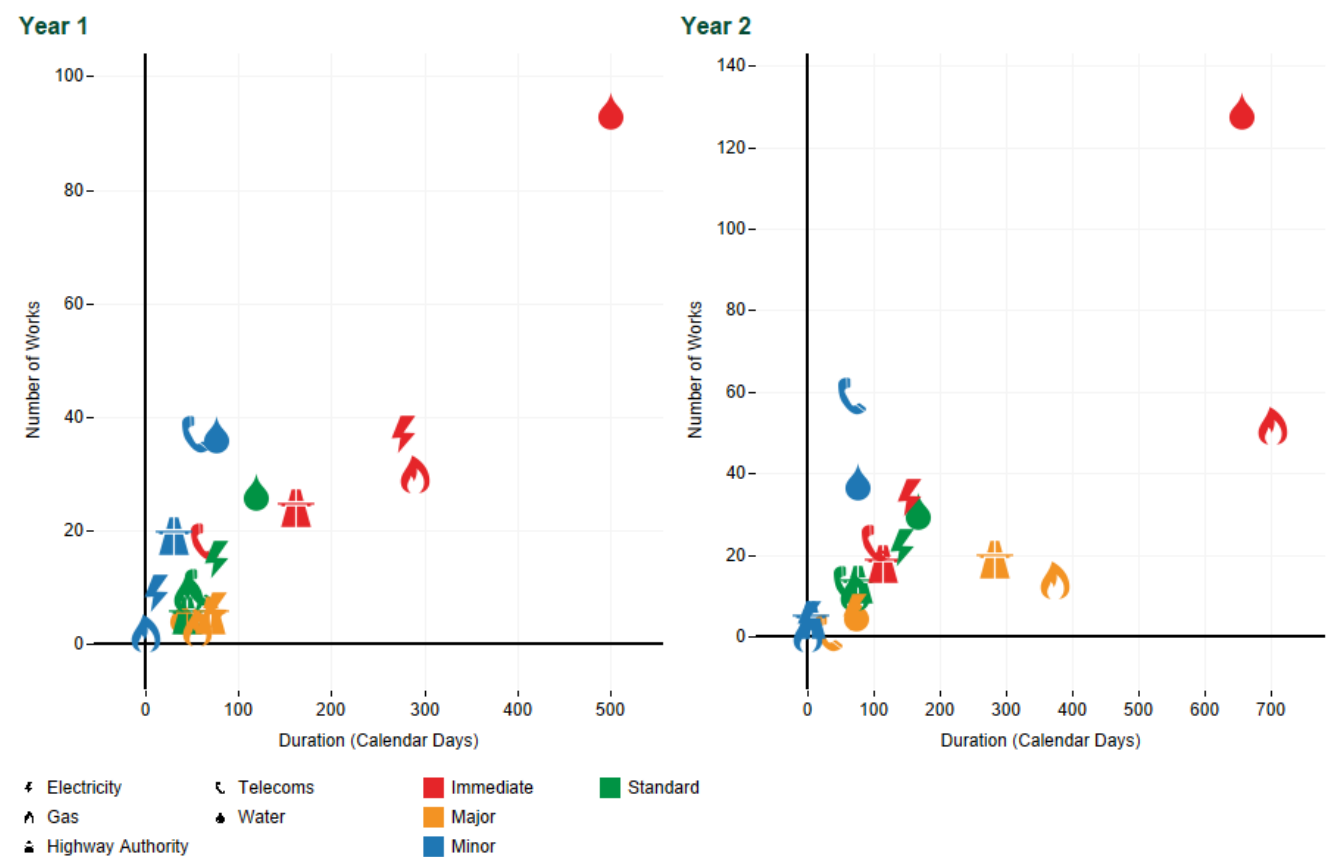
% of work with a charge by Promoter sector

The chart below shows the % of work undertaken in Years 1 & 2 with a lane rental charge by Promoter sector.



Lane rental charges for Promoter sector and work category by volume and charge

The chart below shows the distribution of lane rental charges in Years 1 and 2 by total work phases (y-axis) and duration (whole calendar days) (x-axis) by Promoter sector (shape) and work category (colour legend).



Analysis of total charges for work category and Promoter sector by number of works and the duration of work provides a better understanding of the charges being applied across all factors.

This analysis for both years shows clusters of Promoter sector and work category with outliers for utility sector Immediate works.

There is a noticeable change with the increased duration and charge for Major work – especially for Highway and Gas sector.

It is expected that the change for planned Major work will increase further into Year 3, with Immediate work remaining as an outlier and other shorter duration planned work settling separating by Promoter sector.

Appendix 1 Key Terminology

Term	Meaning
Charge	A charge is the lane rental charge applied when a Promoter undertakes work during a traffic-sensitive (peak) time.
Duration	The term duration refers to the total time of a work phase, calculated from dates and times provided in the start (work) and stop (work) notices.
Lane rental street	A lane rental street is a street with a lane rental designation, under the SLRS, and charges may apply when work is undertaken at peak times.
Non-lane rental streets	A non-lane rental street refers to a street with a traffic-sensitivity designation that <u>does not</u> also have a lane rental designation.
Occupation	The term occupation refers to the time when a work is active on the highway and therefore potentially impacting the flow of traffic.
Peak time (<i>also refer to traffic-sensitivity</i>)	<p>The term peak time refers to the timing designated by the Council as traffic-sensitive.</p> <p>In the SLRS, peak times are: Monday to Friday 07:00 – 10:00 and 16:00 – 19:00 on all lane rental streets and Saturday 10:00 – 16:00 on selected streets.</p>
Promoter	A Promoter is a person or organisation undertaking work by virtue of a statutory undertaking or a licence provided by the Council.
Promoter sector	Promoters are delineated into relevant sectors , which include utility, highways and other – the latter predominantly comprising rail.
SLRS	The term SLRS refers to the Surrey Lane Rental Scheme.
Traffic-sensitivity	<p>The Council can designate a street as traffic-sensitive on certain days and times of the day.</p> <p>A lane rental street must have a traffic-sensitivity designation and times that align to the lane rental times.</p>
Work	A work is an individual work phase undertaken by Promoters, <i>for example to repair a burst water main or resurface a street.</i>

Appendix 2 Methodology

Analysing work

Data used for work analysis has been sourced from the Councils work and asset management system (EToN records) and Street Manager (from July 2020).

A work equates to a single work phase. Therefore, work under the same work reference involving several phases, would be treated as separate works. Logic is used to identify the final work stage of individual work phases.

Unless specified otherwise, only work with the following criteria are included in this evaluation for analysis:

- *Work that has reached a status of work start.*
- *Work with a traffic management type with an impact to the carriageway, therefore no carriageway incursion and some carriageway incursion have been removed.*
- *Notifiable work, therefore non-notifiable work submitted for coordination only purposes is excluded.*

Period of analysis

Unless specified otherwise the period of analysis is based on the actual start date of work, i.e. Year 1 would include work started between 1st April 2021 and 31st March 2022.

Analysing work duration

Work duration is calculated using the dates and times provided within the **work start** and **work stopped** notices provided by the Promoter. Duration is calculated in minutes; therefore, any results or analysis in hours or days would be an aggregated duration of these minutes.

The accuracy of work start, and work stop timings provided by Promoters has improved since the introduction of Street Manager and associated regulations in July 2020. This means that the pre-scheme analysis for durations is effectively limited to July 2020 to March 2021 as the SLRS came into effect on 1st April 2021.

A work duration is delineated between peak time and off-peak based on the relevant lane rental designation timings for the USRN applicable for that work. For example:

- *Designated lane rental times (peak times) are 07:00 – 10:00 and 16:00 – 19:00; and*
- *a work duration of 08:00 – 16:30, would equate to:*
- *Total duration of 480 minutes*
- *Peak duration of 120 minutes*
- *Off-peak duration of 360 minutes*

Where any work has timing condition NCT2a applied then the entire duration is treated as off-peak on the assumption that the highway is returned to normal use during peak times.

Analysing average and trend

Average duration and trend analysis are based on actual durations using the timings of work (aggregated to days) as the sample.

Average duration analysis shows a confidence interval of 95%². Using this analysis provides shows a range of the duration, based on this confidence interval instead of single point.

Trend analysis uses a polynomial regression³ which is typically used to describe a pattern of data containing many fluctuations, instead of a straight linear trend.

When combined the trend shows how durations fluctuate over time compared to the average.

² https://en.wikipedia.org/wiki/Confidence_interval

³ https://en.wikipedia.org/wiki/Polynomial_regression

Appendix 3 Financial Report

Income from charges

The income received from lane rental charges, together with the cost to operate, administer and evaluate the Scheme, including the balance (income – cost) is shown in the table below.

The balance is treated as a surplus revenue, *charges after deduction of reasonable costs*, and in accordance with guidance is *applied for purposes intended to reduce the disruption or other adverse effects arising as a result of street works*.

Any use of the surplus revenue, as a form of funding, is treated as a project.

These are managed through formal governance with a Board comprising Authority and Promoter representative overseeing applications (for funding), project delivery and evaluation.

In Year 1, the governance of the scheme surplus was being established, surplus income was being generated and as such there were no bids for projects during this time.

In Year 2 the Council started to receive applications which resulted in £550,000 revenue granted for projects. From the initial two Scheme years this resulted in a balance of £2.4million being carried forward into Year 3.

Income from charges, cost to administer the Scheme and balance (surplus)

	Income from charges £	Administration cost £	Balance (surplus) £
Year 1 (2021/22)	1,891,635	808,825	1,082,810
Year 2 (2022/23)	2,682,023	837,597	1,844,426

Application of surplus revenues to projects

	Surplus Revenues	Allocated to Projects	Unallocated Surplus
Year 1 (2021/22)	1,082,810	0	1,082,810
Year 2 (2022/23)	1,844,426	550,000	1,294,426
Balance (into Year 3)			2,377,236

Appendix 4 Lane Rental Charge Codes

Code	Definition
LR0	<p>Work on a lane rental street but no charges will apply.</p> <p>The code must be applied with an appropriate suffix (letter) to signify the reason(s) why not charges will apply. If more than one reason is appropriate then each suffix must be added to the code, e.g. LR0 AB.</p> <p>Where the code D for other is used, a short text description will be given as to why charges do not apply.</p>
A	Work outside of lane rental times.
B	No reduction of traffic flow capacity on the carriageway.
C	Work outside of lane rental section where whole road is not included
D	Short duration immediate work
E	Non-registerable activity
F	Transitional arrangements
X	Other reason
LR1	<p>Work on a lane rental street with charge.</p> <p>The duration and charge category will be added to the permit or licence.</p>
LR2	Work on a lane rental street with a discounted charge.
A	Work on a lane rental street with a discount applied for major infrastructure improvement.
B	Work on a lane rental street with a discount applied for collaboration.
C	Work on a lane rental street with a discount applied for innovation.
D	Work on a lane rental street with a discount applied for other cases, as agreed with the Council.