

Benefits of the Transport for London Lane Rental Scheme

November 2016



EVERY JOURNEY MATTERS

1. Overall Summary

The Transport for London Lane Rental Scheme was introduced on 11 June 2012. It was designed to incentivise all activity promoters, including TfL, to minimise disruption due to roadworks and streetworks by applying a daily charge for occupation of the most traffic sensitive streets at traffic sensitive times. On 1 July 2014, following thorough analysis and stakeholder consultation, the areas covered by the Lane Rental Scheme were changed to ensure the scheme continued to cover the areas where it will bring about the most benefit.

This report shows that the Lane Rental Scheme has resulted in numerous benefits including increasing the amount of roadworks taking place during less traffic sensitive times and the increased use of innovative traffic management and works techniques, leading to substantial savings in delay to road users. Since the scheme was introduced a number of evaluation reports have been written and these have shown that TfL's road network that is subject to Lane Rental has provided improved network conditions in a number of areas when compared with the remaining network where Lane Rental does not apply. This report will also look at some of the lessons learnt from the scheme including updating Lane Rental areas and work timings and the changes seen with regards to reducing or waiving charges.

London's growing population and TfL's continuing roll-out of its Road Modernisation Plan (RMP) means the Lane Rental Scheme is more critical than ever in minimising the impact this extra utilisation of the road network will bring.

2. Road Network

2.1 Road Network Pressures

The pressures on the Transport for London Road Network (TLRN) are incomparable to many other cities within the UK. For over a decade London's population has been growing at a rate of over 100,000 people per year and is expected to reach 10 million people by 2031. As well as this, the number of international visitors increased by more than half a million in 2014 alone. This combined with strong economic growth and the consequent increase in building and construction is leading to more traffic, and therefore congestion.

Since the implementation of the Lane Rental Scheme vehicle flows have continued to increase across the network - around 1 to 2 per cent each year within Lane Rental areas. Flows also remain higher than areas outside of the Lane Rental designation; during 2015-16 vehicle flows were approximately 21 per cent higher within Lane Rental areas. The combination of both increasing vehicle flows over time and much higher average daily flows highlights the need for the Lane Rental Scheme.



2.2 Road Modernisation Plan

As part of TfL's efforts to tackle the increase in London's population growth, increased visitor numbers and strong economic growth, the RMP – a £4 billion investment programme – was launched. This is currently underway to transform junctions, bridges, tunnels, cycling lanes and pedestrian areas, all of which are putting even more pressure on the network in the short term.

The RMP has had a significant impact on the performance of the road network. During 2015-16 there were more than 20 different major works taking place each month as part of the RMP with over 35 between September and October. For five consecutive months over 20 per cent of lane rental segments were located within Major Work Impact Areas (MWIAs).

One major issue to consider when understanding the influence that the Lane Rental Scheme has had is that the scheme was not designed to mitigate or manage the substantial number of major works which has been seen in the last year through the RMP. When looking at the benefits of the Lane Rental Scheme below, every effort has been made to try to separate the impact of the RMP from the impact of the Lane Rental Scheme.

3. Scheme Benefits

3.1. Behaviour Change

Since the scheme was introduced in 2012, successive evaluation reports have demonstrated the value that the scheme has added in tackling the adverse affects of street works;

October 2012 – March 2013 (Interim report)

- Serious and severe disruption associated with road works decreased by 36% in TLRS segments year on year between June 2011 to March 2012 and June 2012 to March 2013
- In TLRS segments journey times improved by 3.2% in the AM peak and 2.6% in the PM peak during this time. This was over and above the expected journey time reduction of 0.61% across the road network in London

October 2012 – September 2013 (First year report)

- Serious and severe disruption associated with planned works fell by 46% in TLRS areas during the period monitored,
- Journey times were 4.4% better inside the TLRS in the AM peak and 2.1% in the PM peak than they were on the remainder of the TLRN.

October 2013 to June 2014 (Second year report – Part I)

- There was an observed 42 per cent reduction in the hours of serious and severe disruption due to planned roadworks in TLRS areas (compared to just a 2 per cent reduction in non-TLRS areas)
- The change in journey time reliability (JTR) in the AM peak was 0.5 per cent better in TLRS areas than in non-TLRS areas



July 2014 – March 2015 (Second year report – Part II)

- Serious and severe disruption hours increased by a significantly greater percentage in non-TLRS areas than in TLRS areas. TLRS areas experienced an increase of 103 hours (26 per cent) and in non-TLRS areas it increased by 114 hours (814 per cent). This is despite TLRS segments representing a larger part of the network and being more sensitive.

April 2015 – March 2016

- Serious and severe congestion caused from planned utility works fell by 51 per cent in TLRS segments compared to before TLRS was implemented

3.2. Customer Satisfaction

- The greatest improvements in customer satisfaction between 2014 and 2015 were reductions in frustrations associated with ‘repeated roadworks on the same stretch of road within the same year’ and ‘seeing streets partially closed, but no-one working there’ (7 and 6 percentage points respectively).
- Frustrations associated with ‘roadworks carried out at busy times’ have continued to reduce (2 percentage points compared to 2014-15 and 11 percentage points since 2011). It is reasonable to assume that the implementation of Lane Rental has had a positive influence on these results.

4. Lane Rental Governance Committee (LRGC)

The Lane Rental Governance Committee (LRGC) is formed of senior managers from TfL and utility companies who have responsibility for ensuring that the expenditure of surplus income generated from the Lane Rental Scheme is in accordance with DfT regulations and guidance. The LRGC meet quarterly to review requests for funding from the net proceeds, which must be applied for purposes intended to reduce the disruption and other adverse effects caused by streetworks (Section 74B). The surplus funds generated from the scheme are considered to be a highly valuable ring-fenced source that can be reinvested into facilitating continuous innovation and improvements within the industry.

Since the Lane Rental Scheme commenced a total of 32 applications have been approved by committee with a funding value of £6,610,939 and an estimated social cost of delay saving of £47,707,729. The projects funded can be broadly categorised as follows:

| Categories of Projects Funded through the LRGC | | |
|--|--------------------------|--------------------------------|
| Congestion Busting Measures | Future Proofing Measures | Extraordinary Measures |
| Autonomous Robot Technology | IT Software | Material Testing |
| Industry Training | Solutioneering Workshops | Utility Infrastructure Mapping |



5. Lessons Learnt

5.1 Work Timings

The Lane Rental charge bands loosely fall into the following time categories.

| Charge Band | Type | Daily Charge | Typical Charging Times | |
|-------------|-------------|--------------|------------------------------------|---------------------|
| | | | Monday to Friday | Saturday and Sunday |
| 1 | Segment | £800 | 06:30 – 10:00 and 15:30 – 20:00 | 12:00 – 18:00 |
| 2 | Segment | £2,500 | 06:30 – 22:00 | 12:00 – 18:00 |
| 3 | Pinch point | £2,500 | 07:00 – 20:00 | 12:00 – 18:00 |

Some work timings have been changed depending on the area and road according to the busiest times of day. This has been determined through working knowledge of areas and where there is data available to analyse. It may be possible to shorten the Lane Rental Scheme chargeable timings at specific locations through more extensive analysis as increased monitoring instrumentation now exists on the road network. A further review of timings and network applicability is currently pending substantial completion of RMP and more certainty on the longevity of the current Lane Rental scheme, which is currently due to expire in March 2019.

Currently the Lane Rental charge is applied regardless of the number of hours the carriageway is occupied during the charging times. For example the full £2,500 charge will be applied in the high charge band areas regardless of whether the carriageway works take 1 hour or 6 hours. A possibility would be to charge the promoter proportionally for the number of hours the works take place. This idea is linked to the one above regarding work timings, but would require a change to the way work durations are currently captured within industry software, i.e. days to hours.

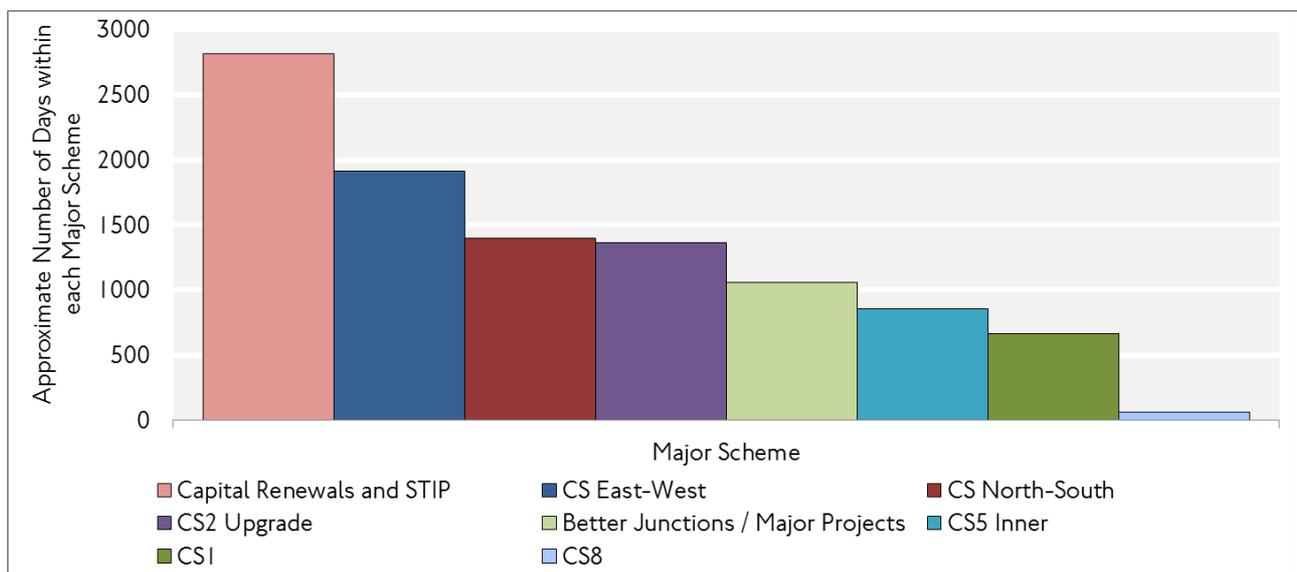
At the moment even if it was found that vehicle flows are lower from 21:00 and it is agreed that the promoter may start their work an hour earlier, they will still need to pay the full charge. This is a challenging situation as the promoter could take advantage of having an additional hour to carry out works but they would need to pay the additional charge. This charge would arguably have little relevance as vehicle flows are lower at that specific location and at that specific time. Even if the promoter is charged for the one single additional hour this would be better than the current situation. It should be noted that this would not be the case at every location and adjusting the chargeable times or charging guidelines would need careful consideration.



5.2 Unavoidable Works

There is a view that for major infrastructure works, including utility mains replacement engineering projects, the Lane Rental charge should be reduced as it is very difficult for the work promoter to avoid working within peak hours whilst also completing the work within a reasonable time frame and minimising their impact on the network.

The following graph shows the approximate number of days within each major scheme carried out between April 2015 and March 2016 as part of the RMP. This figure is only approximate as it assumes works were carried out seven days a week between the start and end dates provided and that there were no breaks between phases. There were over 6,000 work days for Cycle Superhighways and over 2,500 work days for the capital renewals and structures and tunnels investment portfolio (STIP) which includes A406 Neasden, A406 Fore Street Tunnel and Hammersmith Flyover.



The latest Lane Rental Monitoring Report demonstrates the impact major infrastructure projects can have on the road network. The Lane Rental Scheme was designed to incentivise promoters to change their behaviour and work outside of peak hours. The Lane Rental Scheme can still be used as an incentive for major 'one off' developments where the Lane Rental charge is unavoidable. There is an argument as mentioned above that the Lane Rental charge could be reduced for these types of works on agreement that:

- Agreed mitigation prior to the works commencing to ensure the most appropriate traffic management is used.
- Extended working hours so that the maximum number of hours is worked each day.
- Increased resourcing so that the maximum amount of work is carried out within the time frame.
- Additional penalties and higher Lane Rental charges if works overrun the agreed work dates.



5.3 Waiving or Reducing Lane Rental Charges

TfL maintains a 'Supplementary Guidance' document which is shared with all promoters and is regularly updated through consultation with all stakeholders as further questions or issues come to light. The document contains several instances of where charges could be waived or reduced in addition to those set out in the scheme. These include:

- Works spanning multiple USRNs
- Dead space and no net loss of carriageway space
- Redefined road space
- Filter lanes for side road closures
- Site deliveries
- Zero charge for collaborative works
- Additional future proofing works
- The use of innovative technology
- The use of extraordinary congestion reducing measures

The document has evolved over time along with the 'rule set' for Lane Rental charges to ensure the scheme is reflective of behaviour change and the most current situation.

Between April 2015 and March 2016 a total of 138 waiver applications were submitted, with 61 per cent receiving approval (84). Since April 2016 there has been a total of 122 waiver applications submitted with 79 per cent approved (96) which reduced exposure to Lane Rental charges by £4,975,500.

5.4 Use of Lane Rental Surplus Funds

As mentioned above (Section 4) the Lane Rental Scheme regulations require that surplus funds should be spent on reducing the disruption and other adverse effects caused from streetworks. It is suggested that the scope of the Lane Rental Scheme surplus funds should be aligned with the regulations for the unreasonably prolonged occupation of the highway for the purpose of developing or implementing policies for the promotion and encouragement of safe, integrated, efficient and economic transport facilities and services to, from and within London. This extension would allow for the surplus funds to be spent on a wider range of congestion and transport related projects, schemes and trials all of which will benefit London.



6. Summary

The Lane Rental Scheme has resulted in numerous benefits including increasing the amount of roadworks taking place during less traffic sensitive times and the increased use of innovative traffic management and works techniques, leading to substantial savings in delay to road users. Successive evaluation reports have demonstrated the value that has been gained on the 56 per cent of TfL's road network that is subject to Lane Rental compared to the remaining network that is not governed by the scheme.

London's growing population and the continuing increase in construction activity means the Lane Rental Scheme is more critical than ever in minimising the impact this extra utilisation of the road network will bring. However, it is suggested that the Lane Rental Scheme could be fine-tuned to deliver a more rationalised approach to charging and increased benefits to road users through funding wider congestion busting initiatives.

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