



TfL Lane Rental Scheme

High Performance Discounts:
Guidance to Promoters for
Lane Rental Reductions
Relating to Sl. No. 540



Lane Rental Scheme

Delivering roadworks that optimise road network performance

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I. Background

Transport for London (TfL) has been operating a successful Lane Rental scheme on its road network since 11 June 2012. The detailed benefits of the scheme are all highlighted in annual monitoring reports published on TfL's Lane Rental scheme webpage¹

Since TfL's Lane Rental Scheme ("TLRS") was first introduced, the Mayor has published a new Transport Strategy² focused on Healthy Streets. It promotes active travel by encouraging people to walk and cycle more, or to utilise sustainable transport modes, such as buses, for longer journeys. Another principal component of the strategy is to make our roads safer through the Mayor's Vision Zero action plan³, which aims to eradicate all deaths and serious injuries from our streets by 2041. In line with these policies, the road network infrastructure has changed considerably to improve safety and increase capacity to accommodate the increase in demand for active travel and sustainable modes.

To aid these objectives TfL, together with contributions from industry stakeholders, developed a revised lane rental scheme ("the Scheme")⁴ which now includes additional incentives for more off-peak work, substantial discounts to companies who commit to improving their roadworks infrastructure and discounts to companies that demonstrate impeccable safety standards at roadworks.

The Scheme was approved by the Department for Transport by virtue of The Street Works (Charges for Occupation of the Highway) (Transport for London) Order 2012, which was made on 29th April 2021 and came into force on 1 May 2022 (SI2021 No. 540⁵)

¹ <https://www.tfl.gov.uk/lanerental>

² <https://www.london.gov.uk/what-we-do/transport/our-vision-transport/mayors-transport-strategy-2018>

³ <https://content.tfl.gov.uk/vision-zero-action-plan.pdf>

⁴ <https://content.tfl.gov.uk/lane-rental-scheme-document-20210501-final.pdf>

⁵ <https://content.tfl.gov.uk/the-street-works-charges-for-occupation-of-the-highway-transport-for-london-order-2021.pdf>

2. Introduction to High Performance Discount metrics

Making roadworks safer, compliant, and less disruptive contributes to the objectives of the Mayor's Transport Strategy outlined above and section 7.3⁶ of the updated scheme now makes provision for TfL to offer companies that consistently demonstrate the highest levels of performance when undertaking work, discounts on their Lane Rental charges.

A number of high-performance metrics will be used to determine eligibility for a discount. These metrics and targets will be reviewed on a regular basis and modified as required to ensure continuous improvement. Regular performance information will be provided to works promoters to help them achieve the targets.

The metrics use a number of indicators to measure performance. including clear planning and safe working practices and these are captured in the four key performance areas identified in table 1 below.

Area	Metric	Description	Application of Discount	Review	Target	Discount
Safety at work site ⁷	(M1) Pass rate for All Cat A inspections	Monitors the total number of safety inadequacies identified under the Cat A regime	All draft charges raised within the next applicable discount cycle	Quarterly	100%	25%
	(M1a) Pass rate for All Cat A inspections	Monitors the total number of safety inadequacies identified under the Cat A regime.	All draft charges raised within the next applicable discount cycle	Quarterly	92.5%	10%
Reinstatement quality	(M2) Pass Rate for Cat B and C sample inspections	Monitors the number of reinstatements inadequacies identified following Cat B and C sample inspections regime	All draft charges raised within the next applicable discount cycle	Quarterly	95%	5%
Compliance with Permit Conditions ⁸	(M3) Pass Rate for permit condition checks	Monitors the compliance of promoter works with the conditions which are attached to a granted permit.	All draft charges raised within the next applicable discount cycle	Quarterly	90%	5%
Avoidance of Lane Rental	(M4) Lane Rental charge avoided	Monitors the total number of works where a promoter avoids a Lane Rental charge in Lane Rental streets	All draft charges raised within the next applicable Financial Year	Yearly	95%	5%

Table 1 Discount applicability for measures

The application of the metrics and associated High Performance Discounts process (HPD) will commence on the 1 April 2022 and all timescales related to the metrics within this document will align with this date.

⁶ <https://content.tfl.gov.uk/lane-rental-scheme-document-20210501-final.pdf>

⁷ If the discount for M1 (25%) is achieved, it will be applied in isolation. The discount for M1a (10%) shall not be applied.

⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918496/street-works-permit-schemes-conditions.pdf

3. Sample size and application of metrics

In the financial year 2020–21, 47 different works promoters undertook road and street works on the Transport for London Road Network (TLRN) and the volume of their works ranged from a single works site to in excess of several thousand work sites. The bulk of works (94.3%) were undertaken by 7 main promoters, with a further 40 promoters undertaking the remaining 5.7% of the total.

To facilitate viable performance metrics, it is essential that there is a reasonable sample inspection size for each. Therefore, for existing promoters, TfL will adopt a scaled approach to the application of the high-performance discount metrics across the different works promoters based on the average number of works they have undertaken on the TLRN over the preceding 2 years prior to any discounts being applied. For new promoters, TfL will review the available data at the end of the promoter’s first financial year of operation to estimate their expected volume of works. Where sufficient data does not exist to allow this decision or in the event of any other scenarios e.g., mergers, TfL will consider these on a case-by-case basis.

For performance monitoring and analysis of promoters with a high level of works on the network, TfL uses 13 four-week periods and a 6-period rolling average. The use of a rolling average provides a more consistent and relevant view of overall performance. To ensure that HPD is applied to the largest possible number of works promoters, TfL will introduce a new 13 period rolling average for promoters with a moderate number of works. The volume of works undertaken by the promoter will determine the appropriate rolling average used, see Table 2 below.

Volume of Works Undertaken by Promoter ⁹		Rolling Average
High	Over 300 Works	6 Period Average
Moderate	150 - 299 Works	13 Period Average
Low	Under 149 Works	Not statistically viable

Table 2 Volume of works required for meaningful performance monitoring

For works promoters who undertake fewer than 150 works on the network, it is not possible for TfL to accurately determine their performance as the available sample size would not be statistically viable, however these promoters can still apply for all other waivers and discounts as set out in TfL’s Supplementary Guidance document¹⁰.

4. Qualifying for a discount overview

As noted in section 3, TfL manages performance by using 13 four-week periods and the associated dates are published annually (variable durations are used for the start and end periods to account for a full financial year).

⁹ Volume of works required yearly in order to provide meaningful data

¹⁰ <https://content.tfl.gov.uk/tlrs-supplementary-guidance.pdf>

For metrics M1-M3 the HPD will be broken down into 4 phases consisting of three 3 period phases and a single 4 period phase, which are identified in the below diagram as qualifying cycles.

	2022/23														2023/24														2024/25			
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13		P1	P2	P3	P4
Qualifying cycle	Green			Orange			Blue			Yellow					Green			Orange			Blue			Yellow								
Reconciliation cycle																																
Discount cycle																																

Table 3 Performance Metric Phases for Performance Metrics M1-M3

For metric M4 there will be a single yearly qualifying cycle

	2020/21	2021/22														2022/23														2023/24					
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13		P1	P2	P3	P4	P5	P6
Qualifying Period		Green														Orange														Green					
Reconciliation Period		Green														Green														Green					
Discount Period		Green														Green														Green					

Table 4 Performance Metric Phases for Metric M4

During the **qualifying cycle**, TfL will publish the monitoring results on a regular basis to provide promoters with the opportunity to improve their performance to achieve discount qualification.

Each qualifying cycle will be followed by a **reconciliation cycle** to allow for any data anomalies or challenges to be addressed. At the end of the reconciliation cycle, TfL will determine whether a discount is to be applied during the next discount cycle.

During the **discount cycle**, any discount received, following the reconciliation cycle, will be applied to all draft charges raised for individual promoters.

Additional waivers and discounts, as set out in TfL’s Supplementary Guidance¹¹ document, will also be considered when submitted through the usual process and within the required timescales.

The application of High Performance Discounts is at TfL’s discretion and TfL reserves the right to withdraw any discount awarded under the Scheme, at any time, where the behaviour of a works promoter is shown to be contrary to the spirit in which the scheme is intended to operate. Examples of this type of behaviour include; where a promoter has negligently placed the safety of the public at risk and where TfL has successfully prosecuted a works promoter under S65 of the New Roads and Street Works Act. This list is not exhaustive and further guidance may be issued in the future. Any disputes which may arise will be considered as part of the Dispute Resolution under Section 10 of the Lane Rental Scheme 2021¹².

5. Definition of metrics

The following provides a detailed description of the metrics being used to obtain the High-Performance Discounts, as highlighted in Table 1 section 2:

¹¹ <https://content.tfl.gov.uk/tlrs-supplementary-guidance.pdf>

¹² <https://content.tfl.gov.uk/lane-rental-scheme-document-20210501-final.pdf>

- **(M1) Safety at street and road works**

Category A Inspections

This metric provides a comprehensive picture of all signing, lighting and guarding (SLG) inadequacies ('failures') on works in progress on the TLRN. It uses the methodology for Category A inspections as defined in the Code of Practice for Inspections¹³ (COP) and monitors the total number of SLG failures following identification on site by TfL's field inspectors. Failures are defined as 'High Risk' or 'Low Risk' as per the CoP; and the level of a particular failure depends on the severity of deviation from 'Safety at Street Works and Road Works: A Code of Practice'¹⁴ ('the Safety Code').

TfL's field inspectors will as a matter of routine, undertake and record Category A inspections on works sites they encounter as part of their day-to-day duties. Recording these inspections (both passed and failed) creates a greater view of performance overall. It is important to note that only Category A inspections physically undertaken on site ('in the field') will count; other inspection types (eg. CCTV), are not used.

The calculation of the metric consists of the number of failed Cat A inspections in the current period and 5 preceding periods as a percentage of the total number of Cat A inspections undertaken in the same six periods.

- **(M2) Compliance with the reinstatement specification**

Category B and C Sample Reinstatement Inspections

This metric is taken directly from the Inspections CoP. It monitors the quality of reinstatements by measuring the number of defects found following streetworks excavations. Where a Category B or Category C sample inspection is undertaken on a reinstatement, and it exceeds the intervention criteria specified in the Reinstatement of Openings in Highways (SROH)¹⁵, a defect is issued to the relevant promoter.

The metric matches the Category A version in that it measures the number of failed Cat B and Cat C inspections in the current period and 5 preceding periods as a percentage of the total number of Cat B and Cat C inspections undertaken in the same six periods.

TfL is not subject to reinstatement inspections, so is not eligible for a discount under this measure.

- **(M3) Compliance with permit conditions**

National Permit Condition Checks¹⁶

¹³https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/4386/codeofpracticeforinspections.pdf

¹⁴ <https://www.gov.uk/government/publications/safety-at-street-works-and-road-works>

¹⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/977196/specification-for-the-reinstatement-of-openings-in-highways-fourth-edition.pdf

¹⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918496/street-works-permit-schemes-conditions.pdf

This metric monitors promoter compliance with permit conditions attached to works sites. Permit condition checks are undertaken at the same time as the Category A field inspections. The metric mirrors the Cat A, B and C inspections measures in that it monitors the number of non-compliant permit condition checks in the current period and 5 preceding periods as a percentage of the total number of permit condition checks undertaken in the same six periods.

- **(M4) Avoidance of the Lane Rental charges**

This metric is derived from the number of works undertaken within the Lane Rental area that avoided a Lane Rental charge. The metric will be calculated by taking the total works invoiced in any given period (regardless of whether the works were undertaken in that period), expressed as a percentage of the total number of works undertaken by that promoter within the specified Lane Rental locations.

Calculations

For metrics M1 – M3, TfL will use a 6 or 13 period rolling average as detailed in Table 2 section 3, and these will be calculated as the total number of passed inspections/condition checks as a percentage of the total number of inspections/condition checks undertaken within the same timeframe.

Metric M4 will be reviewed at the end of each financial year within the reconciliation cycle and the calculation will reflect the total number of works that a promoter has been invoiced for Lane Rental charges within that year, regardless of when the works were undertaken.

6. Glossary

Term	Explanation
Category A Inspection	An inspection which is carried out while works are in progress to monitor signing, lighting and guarding as defined within the Code of Practice for Inspections
Category B Inspection	An inspection which checks for compliance with associated reinstatement interventions in accordance with the Specification for the Reinstatement of

	Openings in Highways (SROH) within the six months following interim or permanent reinstatement as defined within the Code of Practice for Inspections
Category C Inspection	An inspection which checks for compliance with associated reinstatement interventions in accordance with the Specification for the Reinstatement of Openings in Highways (SROH) within the three months preceding the end of the guarantee period and also defined within the Code of Practice for Inspections
Conditions	Conditions that are applied to a permit to undertake works on the highway to ensure that the information on those works is maximised, and the impact of the works on the traveling public is minimized, ensuring the Network is managed as effectively as possible and enabling works to be undertaken efficiently as defined in Statutory Guidance for Permit Schemes National Conditions
Discount	The discount applied to Lane Rental charges
Discount Cycle	Periods within which a discount applies
Metric	The performance areas which will be monitored to establish performance
Period	Based on 13 4-week periods a year where performance will be monitored
Qualifying Cycle	The periods within which the metrics will be monitored
Reconciliation Cycle	The period/s whereby any discount will be determined
Target	The pass rate by which the metric is checked to determine if a discount has been achieved
6-Period Average	The rolling average by which a works promoter, who undertakes a volume of work in excess of 300, will be assessed
13-Period Average	The rolling average by which a works promoter, who undertakes a volume of work between 150 – 299, will be assessed

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