



Kent Lane Rental Scheme

Governance of Surplus Revenue

Kent Lane Rental Scheme
Governance of Surplus Revenue

This document has been produced by Kent County Council (owner).

No part of this document may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic mechanical, photocopying, or otherwise, without either prior written permission of the owner.

© Kent County Council

Version 3.1

Released on 12 February 2013

Updated on 4 November 2020

Document Content

1	Introduction	4
2	Application of Surplus Revenues	4
3	Roles and Responsibilities	5
3.1	Board of Governors	5
3.2	Board Representatives from the Joint Utilities Group	6
3.3	Board Representatives from KCC Highways and Transportation (Promoter)	6
3.4	Board Representatives from KCC as Permit Authority	6
3.5	KCC Treasurer	7
3.6	Appointment to the Board	7
3.7	Term of Appointment	7
4	Management & Administration	8
4.1	General Principles	8
4.2	Application	9
4.3	Decision	9
4.4	Implement	10
4.5	Evaluation	10
4.6	Revenue Monitoring	11
5	Meetings & Information Release	12
5.1	Meetings	12
5.2	Chair & Administration	12
5.3	Agenda	12
5.4	Frequency	12
5.5	Related Management Information	13
5.6	Information	13

1 Introduction

- 1.1 On 28th May 2013 Kent County Council introduced a lane rental scheme, the Kent Lane Rental Scheme (KLRS), to apply charges to those undertaking street works and road works at the busiest locations at traffic sensitive times to encourage these works to be carried out in a less disruptive manner.
- 1.2 In accordance with the Regulations¹, Kent County Council will retain revenues obtained from charges to meet the costs incurred for the efficient operation of the KLRS. Any surplus revenues will be applied towards **initiatives** that are associated to the objectives of the KLRS, within the areas of transportation; enabling infrastructure; and industry practices and research and development².
- 1.3 This document details the governance model for the administration of revenues towards these initiatives– *describing the roles of the participants and processes for decision-making, monitoring and evaluation.*
- 1.4 This document does not detail the governance for the administration of the revenues obtained to meet the costs incurred for operating the KLRS. This governance will be subject to existing KCC financial governance and procedures.

2 Application of Surplus Revenues

- 2.1 The KLRS sets-out the specific initiatives that any surplus revenues will be applied towards, which are principally associated to the objectives of the KLRS; to be applied equally (*within a limited tolerance*) to the following areas:
- Transportation** initiatives are defined as facilitating the management and monitoring of traffic and works to minimise disruption on the network and improve safety;
 - Enabling infrastructure** initiatives are defined as those that promote and provide more effective facilities to enable future maintenance , access and improvement of assets;
 - Industry practices** and **research & development** related initiatives cover the operational practices, new materials and ways of working for the control, planning and execution of works.
- 2.2 The primary purpose of these initiatives is based on reducing the impact of works on the highway network, to reduce any disruption whilst important and essential services are maintained - this is the Scope of this administration. This Scope supports the aim to raise standards in the planning and execution of works for the benefit of the road users in Kent.
- 2.3 Any requests to apply revenues to initiatives that are outside of the above definitions and objectives of the KLRS will be deemed as out of Scope and not considered.

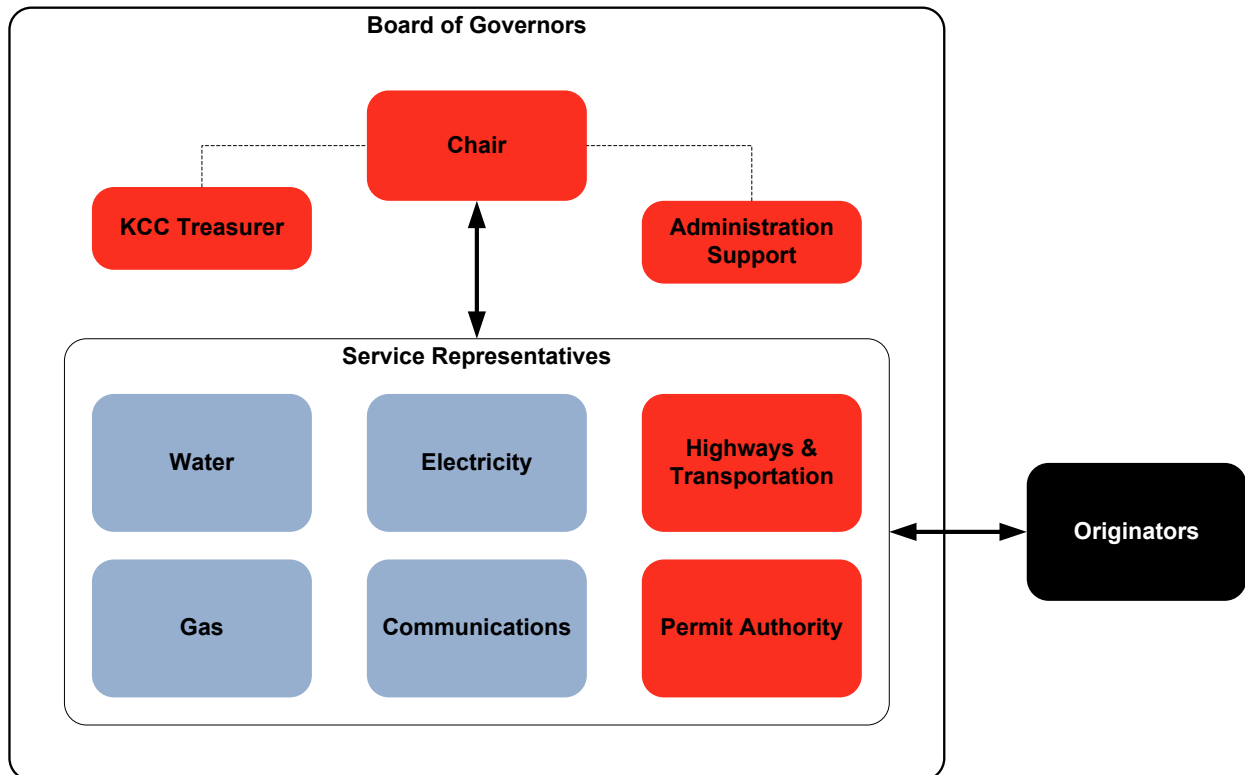
¹ The Street Works (Charges for Occupation of the Highway) (England) Regulations 2012

² Refer to Section 10 of the KLRS.

3 Roles and Responsibilities

3.1 Board of Governors

- 3.1.1 A body of appointed and elected members will form a Board of Governors, *referred to as the "Board"*, who will oversee the administration of the surplus revenues, with the principle responsibility to evaluate and monitor proposals to spend this revenue towards initiatives (within Scope).
- 3.1.2 The management and administration duties of the Board members are detailed within this section. In addition to these there are common principles shared by all Board members, which are to:
- support the objectives of the KLRS in regard to the application of surplus revenues;
 - prudently invest revenues towards the objectives of the KLRS;
 - be impartial among stakeholders and interested parties;
 - account for actions and keep stakeholders and interested parties informed;
 - be loyal;
 - not delegate, unless by agreement;
 - not profit;
 - not be in a conflict of interest position;
 - Administer in the best interest of the beneficiaries.
- 3.1.3 The Board members also have a responsibility to the wider implications and effect of their decisions outside of Kent, for the benefit of industry and to ensure efficiency in the use of the surplus revenues.
- 3.1.4 To this effect, where possible the Board must encourage collaboration with national groups and interested parties, including those operating schemes with similar initiatives. Every opportunity must be taken to maximise the effectiveness and efficiency in the use of surplus revenues.
- 3.1.5 The diagram below provides a graphical overview of the Board, which will essentially comprise members from service areas representing either promoter of works or KCC as a Permit Authority. These representatives will have the capability to identify, agree and implement any initiatives that will deliver the intended objectives of this administration.
- 3.1.6 Any involvement with the Board is on a voluntary basis without recompense from the KLRS revenues.



3.2 Board Representatives from the Joint Utilities Group

- 3.2.1 One representative from each of the utility areas of water, gas, electricity and communications will be included within this Board - elected via Kent (HAUC)³.
- 3.2.2 The National Joint Utilities Group (NJUG) will be invited to attend the Board, *as a non-voting member*, to ensure visibility and cross-industry engagement is obtained by the Board.

3.3 Board Representatives from KCC Highways and Transportation (Promoter)

- 3.3.1 One representative representing all the service areas within the KCC Highways and Transportation section as a Promoter of works will be included within this Board.

3.4 Board Representatives from KCC as Permit Authority

- 3.4.1 Two representatives representing KCC as a Permit Authority will be included within this Board – appointed by KCC.
- 3.4.2 One of these Members will represent KCC as a Highways Authority and Traffic Manager, with a specific focus on network management.
- 3.4.3 One of these Members will also act as the Board Chairperson, *referred to as Chair*, who will own the responsibility to:

- (i) Chair the meetings of the Board;

³ Highways and Authority Committee (HAUC)

- (ii) organise and coordinate the Board's management and associated information;
- (iii) evaluate the governance and performance of the Board;
- (iv) resolve issues and mitigate risks related to the purpose of the Board.

3.5 KCC Treasurer

- 3.5.1 This role will be held by a KCC employee and will be primarily responsible for controlling and monitoring the surplus revenues and the associated governance.
- 3.5.2 This role will also administer the processes within the Governance, whilst also acting as a liaison between all parties and ensure the governance is in place and followed correctly.
- 3.5.3 This position will be appointed by KCC as a function of the KLRS Governance and Stakeholder Liaison Officer position.

3.6 Appointment to the Board

- 3.6.1 The initial Board will comprise of elected members from Kent (HAUC)⁴ and those assigned to roles from Kent County Council.
- 3.6.2 To ensure continuity and representation on the Board, each member can nominate one other individual to serve as a deputy in cases where the primary Board member cannot be present
- 3.6.3 Subsequent Board members will be nominated and elected via Kent (HAUC), where applicable. In any instances where a decision related to an appointment cannot be made by Kent(HAUC), KCC as Permit Authority have the final decision on any appointment.

3.7 Term of Appointment

- 3.7.1 Each Board member will serve for a 24 (twenty four) month term of appointment, after which time re-appointment must be sought or a new member appointed (as detailed within the previous section).
- 3.7.2 If during a term of appointment a Board member wishes to leave the Board a new member will be sought either through Kent(HAUC) or KCC (as appropriate). Ideally, the Board member will provide at least 3 (three) months' notice of their intention to leave in order to provide opportunity to facilitate a new appointment.
- 3.7.3 In circumstances where a Board member cannot provide sufficient notice and a new member cannot be appointed a deputy representative can be nominated to the Board. KCC retain the authority to allow or deny this nomination during this interim stage.
- 3.7.4 In all instances, any new member of the Board, including deputy representatives, will take on the responsibilities and duties held by the previous member, including any related to new or existing initiatives.

⁴ Highways and Authority Committee (HAUC)

4 Management & Administration

4.1 General Principles

- 4.1.1 The management of initiatives for surplus revenue spend will follow a process similar to that of a Business Case, with four key stages: (i) Application; (ii) Decision; (iii) Implement and (iv) Evaluation.
- 4.1.2 The initial stage is the development of an Application, which will detail the objective to be achieved and the proposed methods to achieve this objective. This process will be carried out by an Application Originator.
- 4.1.3 Completed Applications will be reviewed by the Board who will determine whether the proposed surplus revenue spend will proceed.
- 4.1.4 Once an Application has been agreed the proposed initiative will be implemented, which will require monitoring and Evaluation once it is complete. The final Evaluation stage will feed back into the Application development and Decision processes to further enhance decision making and management.

4.2 Application

- 4.2.1 Any organisation with a legitimate application can make a submission, however in the first instance anyone who wants to make an Application will need to complete an Application for Revenue Spend⁵ - this individual will be referred to as the Originator. **Where an Originator is not a member of the Board, they will need to seek sponsorship for the Application from a relevant Member** (according to the service area or outcome of the initiative).
- 4.2.2 Completed Applications are to be sent to the KLRS Governance and Stakeholder Liaison Officer via email to kent.lanerentalscheme.co.uk. The KLRS Governance and Stakeholder Liaison Officer will immediately log the Application assigning it a unique number for identification. This number will be used throughout the life of the initiative for reference.
- 4.2.3 The KLRS Revenue Administrator will conduct an initial review of the Application to ensure it has been completed thoroughly and in accordance to the guidelines. If any further detail or development is required, the Application will be sent back to the Originator and the Application status will be Application (Development). Once an Application is ready for review it will enter the Decision process.

4.3 Decision

- 4.3.1 When an Application is ready for formal review and Decision it will be issued to the Board for consideration, with formal Application decisions made at a KLRS Revenue Governance Meeting. To ensure there is a suitable period to conduct a review of the Application a deadline for submission of one month prior to the scheduled meeting date will be set. Any Applications received after this deadline will be presented at the subsequent scheduled meeting.
- 4.3.2 At the KLRS Revenue Governance Meeting the relevant Sponsor will have the responsibility to present the Application to the Board to seek a decision, on behalf of the Originator. If a situation dictates that the Originator may be in a stronger position to present the Application to the Board, then the Sponsor will request their attendance at this meeting.
- 4.3.3 A decision on an Application will be reached at each meeting – either an Approval or Refusal. In cases where further information or development is required in order make a decision, this will be issued as a Refusal, with opportunity to submit a revised Application at a suitable time.
- 4.3.4 When making a Decision on an Application the Board will consider the following criteria:
- (i) the expected outcomes of the initiatives and the relevance to the KLRS objectives;
 - (ii) the prioritisation of other initiatives and their expected outcomes;
 - (iii) the timing
 - (iv) opportunities for collaboration between initiatives and with other parties;
 - (v) initiatives being undertaken and explored within the industry;
 - (vi) cost-effectiveness of the proposal.
- 4.3.5 The Board Decision will be made through a vote by Service Representatives present. In the situation where there is a split-decision the Board Chair will have the ultimate deciding vote.

⁵ Available via the KCC website

4.3.6 Where an Application is approved, an Owner will be assigned to the initiative. This Owner will take on responsibility for monitoring the Implementation and any subsequent Evaluation of the initiative, also ensuring the Board is kept updated during this process. The Owner does not necessarily have to be the original Sponsor; however they must be a member of the Board.

4.4 Implement

4.4.1 The Implementation of any approved initiative will require close monitoring in order to ensure that it is delivered within the agreed scope, *as defined within the Application*, and achieves its stated objectives through the expected outcomes.

4.4.2 It is recognised that the initiative may be implemented by multiple parties not represented on the Board, so the Owner will be responsible for monitoring the management and progress during implementation, including reporting to the Board progress towards completion, variation to scope and potential risks.

4.4.3 A progress update (report) for any initiatives within the Implementation stage must be submitted for each Board meeting, without exception. A template for this Progress Report Can be obtained for the KLRS Treasurer

4.4.4 If at any stage of the Implementation either the Owner or the Board decide that the initiative will not meet the objectives outlined within the Application, or that there is a variation to the agreed scope of the initiative, then the implementation must be stopped and a formal report presented to the Board outlining a proposed course of corrective action. If necessary this action may include stopping the Implementation and commitment of further resources, including cost, until a variation of course of action is agreed.

4.4.5 In such cases, the Owner must contact the Board Chair to discuss this matter at the earliest opportunity. The Board Chair will then decide on the best course of action, in consideration to any progress to date and schedule, to mitigate the impact of committed resources and potential wasted revenues.

4.4.6 Once the Implementation is complete, a final report must be submitted to the Board detailing the results of the initiative (as an Evaluation).

4.5 Evaluation

4.5.1 Every completed initiative must have an Evaluation of the overall result (outcomes) in consideration to the objectives. The purpose of this Evaluation is to (a) provide evidence that the initiative has delivered a tangible positive outcome; (b) provide information to enable the identification of further initiatives; and (c) provide lessons learnt to develop the decision making process.

4.5.2 The evaluation of the initiative will be considered at the outset of the process through the Application stage; however this can be developed in more detail during the course of the implementation to allow further areas of Evaluation.

4.5.3 The evaluation must be clearly aligned to the objectives of the KLRS, within the areas specified in the Scheme. Wherever possible, any associated measurements must represent tangible outcomes, *for example a reduction in the occupation of road-space*, however intangible outcomes may also support the overall evaluation, *for example the opinion of local residents or businesses*.

4.5.4 During the development and preparation of the evaluation, the Owner and/or Originator is advised to consult with KCC to ensure the objectives; outcomes and associated measurements are pragmatic and fit-for-purpose.

4.6 Revenue Monitoring

4.6.1 The KCC Treasurer will take on the responsibility to record and monitor the accounts related to the surplus revenue; including current balance; projected income and monies allocated, but not issued.

4.6.2 The Owner will be responsible for monitoring and reporting any spend in relation to a proposal during the implementation stage.

4.6.3 Both of these accounts will be presented to the Board at a KLRS Revenue Governance Meeting for review.

4.6.4 The revenue allocation, together with supplier engagement and management (if required) will be agreed through the Application process, but the general principle is stage payments and Originator supplier engagement and management (through their own protocols and procedures).

4.6.5 If after 12 (twelve) months of any allocation of revenues there is no evidence of research or tangible product as described in the Application, then KCC will reserve the right to recover all or any of the of the revenues allocated.

5 Meetings & Information Release

5.1 Meetings

5.1.1 The Board will meet on a three-month (quarterly) basis in order to review the application of the surplus revenue and make decisions in relation to the new and on-going initiatives.

5.2 Chair & Administration

5.2.1 A representative from KCC as a Permit Authority will Chair the KLRS Revenue Governance meetings.

5.2.2 KCC will provide administration to this meeting, to include scheduling and invitations; arranging the meeting venue; disseminating information; managing the Agenda; and collecting and preparing a record of Key Actions and Decisions.

5.3 Agenda

5.3.1 The standard Agenda for the meeting is shown below; however this may be adapted or developed as required:

Apologies and Introductions – apologies for absence and introductions for new members or nominated representatives;

Previous Actions – a review of Actions from previous meetings (these may be covered within other Agenda items);

New and Developed Applications – presentations; review and decisions relating to new and developed (previous) Applications;

Implementation Progress Update – updates from the monitoring and evaluation of approved Applications (until complete and closed) and the revenue account.

Any other Business – other matters not considered on the Agenda and within the scope of the meeting;

Next Meeting – confirmation of the date for the next meeting and any potential revision to the Agenda.

5.3.2 The members of the Board are responsible for identifying any additional agenda items and preparing any information or background documentation for these items.

5.4 Frequency

5.4.1 The Board will meet on a Quarterly basis

5.5 Related Management Information

- 5.5.1 The Administration will collate all the relevant meeting information including progress and account reports and circulate this to the Board one week (5 working days) prior to the scheduled meeting date.

5.6 Information

- 5.6.1 KCC will provide an annual report on the use of the surplus revenues, detailing the initiatives undertaken and any measured outcomes. This report will be published to the KCC website, thereby accessible to the general public.
- 5.6.2 A verbal update will be provided to the KentHAUC at the quarterly meetings.

END OF DOCUMENT

