



The County Council of Durham Lane Rental Scheme

Governance of Surplus Funding

Document Control

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Review Control

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1 Introduction

On <insert date> Durham County Council introduced a lane rental scheme, the Durham Lane Rental Scheme (DLRS), 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.

In accordance with the Regulations, Durham County Council will retain revenues obtained from charges to meet the costs incurred for the efficient operation of the DLRS. Any surplus revenues will be applied towards initiatives that are associated to the objectives of the DLRS, within the areas of transportation; enabling infrastructure; and industry practices and research and development.

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.

This document does not detail the governance for the administration of the revenues obtained to meet the costs incurred for operating the DLRS. This governance will be subject to existing DCC financial governance and procedures.

2 Application of Surplus Funding

The Street Works (Charges for Occupation of the Highway) (England) Regulations 2012 requires Highway Authorities to invest at least 50% of surplus funds into highway maintenance.

The DLRS sets-out the specific initiatives that the remaining 50% surplus revenues will be applied towards, which are principally associated to the objectives of the DLRS; to be applied equally (within a limited tolerance) to the following areas:

Innovation – Techniques, research, and systems, including;

- Developing new disruption saving products, services, or techniques.
- Improvements in noise, pollution, or safety. Research and development.

Disruption - Congestion Mitigation including;

- Deploying new disruption saving products, services, or techniques.
- Measures to mitigate congestion and disruption caused by activities, particularly major projects.

Transport - Transportation Development, including.

- Sustainable Transport.
- Transportation initiatives.
- Enabling infrastructure.
- Active Travel.
- Accessibility.

Infrastructure – Infrastructure and Apparatus, including.

- Installing infrastructure to enable apparatus to be accessed without disruption.
- Measures to improve systems and records.
- Schemes.

Potholes

- Caused by Utility Works.

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 County Durham.

3 Roles and Responsibilities for the Board of Governors

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.

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 DLRS in regard to the application of surplus revenues;
- prudently invest revenues towards the objectives of the DLRS;
- 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.

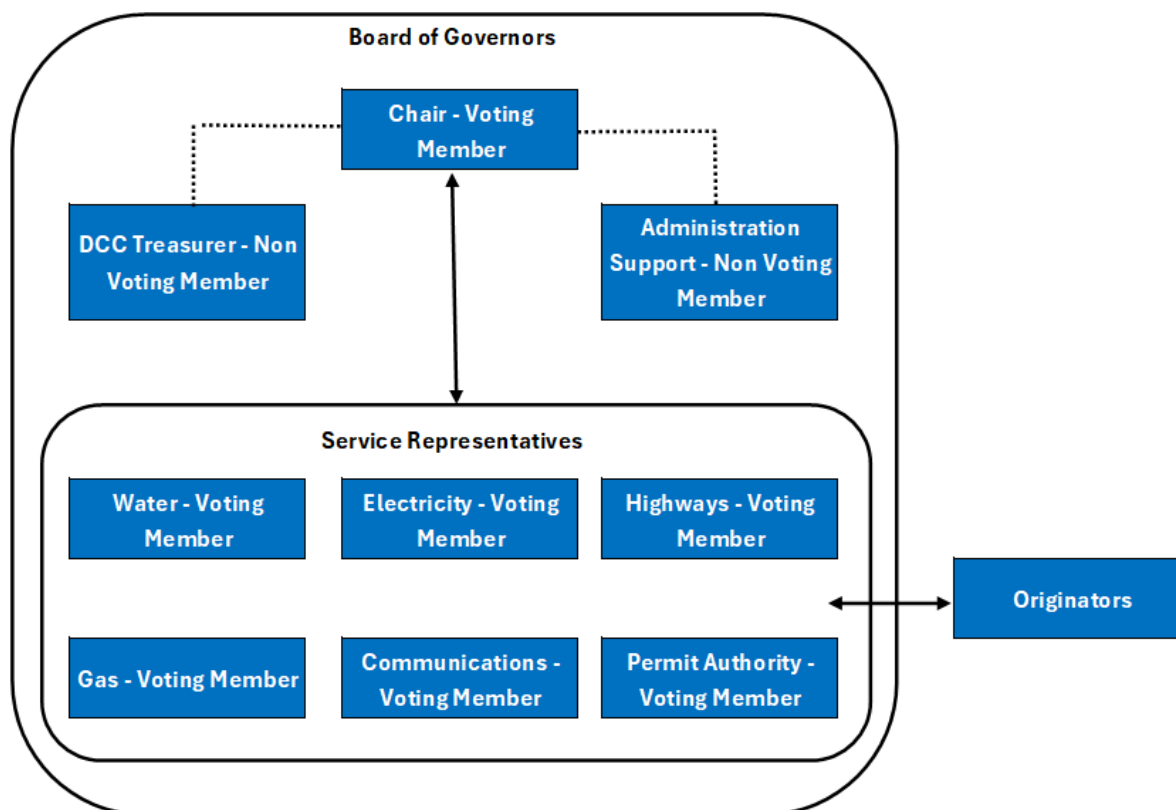
The Board members also have a responsibility to the wider implications and effect of their decisions outside of County Durham, for the benefit of industry and to ensure efficiency in the use of the surplus revenues.

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.

The diagram below provides a graphical overview of the Board, which will essentially comprise members from service areas representing either promoter of works or DCC 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.

Any involvement with the Board is on a voluntary basis without recompense from the DLRS revenues.

3.1 Structure of the Board



The structure of the board governors will be;

- Chair of the Board, who will have a vote
 - DCC treasurer, who won't have a vote
 - Administration Support, who won't have a vote
- Service Representative
 - Water, who will have a vote
 - Gas, who will have a vote
 - Electricity, who will have a vote
 - Communications, who will have a vote
 - Highways, who will have a vote
 - Permit Authority, who will have a vote

3.2 Board Representatives from the Joint Utilities Group

One representative from each of the utility areas of water, gas, electricity and communications will be included within this Board.

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 DCC Highways (Promoter)

One representative from the DCC Strategic Highways Team as a Promoter of works will be included within this Board

3.4 Board Representatives from DCC as Permit Authority

One representative from the DCC Permit Team as Street Authority will be included within this Board.

3.5 Board Representatives from DCC as Chair

The Head of Service for Highways will act as the Board Chairperson, referred to as Chair, who will own the responsibility to:

- Chair the meetings of the Board;
- organise and coordinate the Board's management and associated information;
- evaluate the governance and performance of the Board;
- resolve issues and mitigate risks related to the purpose of the Board.

3.6 DCC Administration Support

One representative from DCC will provide administrative support to the chair, and collating funding applications.

3.7 DCC Treasurer

This role will be held by a DCC employee and will be primarily responsible for controlling and monitoring the surplus revenues and the associated governance.

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.

This position will be appointed by DCC as a function of the DLRS Governance and Stakeholder Liaison Officer position.

4 Appointment to the Board

The initial Board will comprise of elected members from NEHAUC and those assigned to roles from Durham County Council.

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.

Subsequent Board members will be nominated and elected via NEHAUC, where applicable. In any instances where a decision related to an appointment cannot be made by NEHAUC, DCC as Permit Authority have the final decision on any appointment.

5 Term of Appointment

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).

If during a term of appointment a Board member wishes to leave the Board a new member will be sought either through NEHAUC or DCC (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.

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. DCC retain the authority to allow or deny this nomination during this interim stage.

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.

6 Management and Administration - General Principles

The management of initiatives for surplus revenue spend will follow a process, with four key stages: (i) Application; (ii) Board Decision; (iii) Implement and (iv) Evaluation.

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.

Completed Applications will be considered, and voted on by the Board who will determine whether the proposed surplus revenue spend is accepted or not.

Where an application is recommended for approval and funding is released by the Council, the Sponsor will take on responsibility for monitoring the implementation, expenditure, and any subsequent evaluation of the project, also ensuring the Group is kept updated during this process. At this stage the Sponsor can be changed from the initial Sponsor to another Promoter Representative or Chair.

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.

7 Application

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 Spend - 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).

Completed Applications are to be sent to the DLRS Governance and Stakeholder Liaison Officer via email to streetworks@durham.gov.uk, The DLRS 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.

The DLRS Revenue Administrator will conduct an initial review of the Application to ensure it has been completed thoroughly and in accordance with the guidelines. If any further detail or development is required, the Application will be sent back to the Originator. Once an Application is ready for review it will enter the Decision process.

7.1 Decisions

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.

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.

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.

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

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

7.2 Evaluation

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.

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.

The evaluation must be clearly aligned to the objectives of the DLRS, 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.

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

7.4 Revenue Monitoring

The DCC 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.

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

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

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).

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 DCC will reserve the right to recover all or any of the of the revenues allocated.

8 Meetings and Information Releases

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.

9 Chair and Administration

The Head of Service for Highways from DCC will Chair the DLRS Revenue Governance meetings.

DCC 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.

10 Agenda

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

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

10.1 Related Management Information

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.

11 Publicity

The Recipient shall use all reasonable endeavours to ensure that the public is aware that the purpose is supported by the Council.

The Recipient shall include the use of the Durham County Council logo on publicity material followed by the words;

"Supported by Durham Lane Rental Scheme surplus revenues" and shall do so in accordance with the appropriate section of the Council's Corporate Identity Logos and Branding guidelines which will be supplied as/when required. For this purpose only, the Council grants to the Recipient a non-assignable non-exclusive licence to use the Council's logo.

11.1 Information

DCC 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 DCC website, thereby accessible to the general public.

DCC will review the governance arrangements for allocation of surplus revenue as part of the annual evaluation. This review will consider changes at both a DCC level for the LRS and a wider national level. The latter is to consider any national alteration in approach to the operation or governance of lane rental schemes, including changes to guidance relating to governance arrangements. Any proposed changes to governance arrangements will be take account of any views of relevant stakeholders prior to any changes being adopted

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