

Report title: PROPOSED KIRKLEES LANE RENTAL SCHEME

Meeting	E & CC Scrutiny
Date	20 November 2024
Cabinet Member (if applicable)	Councillor Munir Ahmed
Key Decision Eligible for Call In	No
Purpose of Report To inform E&CC Scrutiny of the proposal to develop a Kirklees Lane Rental Scheme to better manage street and road works across the district.	
Recommendations E&CC Scrutiny is requested to: <ul style="list-style-type: none"> Note the intention to develop a Lane Rental Scheme for Kirklees district. Reasons for Recommendations <ul style="list-style-type: none"> To enable continued progress to be made towards the development and potential implementation of the Kirklees Lane Rental Scheme. 	
Resource Implication: Financial implications - £77,000 consultancy commission (fixed price) plus additional internal staff time to develop the Lane Rental Scheme up to a total of £100k.	
Date signed off by <u>Strategic Director</u> & name: Ms K Armitage, Interim Service Director Highways and Streetscene, on behalf of the Strategic Director.	Give name and date for Cabinet / Scrutiny reports E&CC Scrutiny Committee Give name and date for Cabinet reports Lane Rental Scheme 5 December 2024

Electoral wards affected: All wards affected.

Ward councillors consulted: Ward members have not been consulted on the proposed Kirklees Lane Rental Scheme.

Public or private: Public

There are no GDPR implications associated with this report.

1. Executive Summary

Highways officers have been working on the development of a Lane Rental Scheme (LRS) for Kirklees with a specialist external consultant since December 2023.

The project is developing well, and it is anticipated that a submission will be made to the Secretary of State for Transport before 31 March 2025 to apply for the relevant Statutory Instrument to bring the Lane Rental Scheme into effect from approximately October 2025.

This report is intended to inform Scrutiny Members of the Lane Rental Scheme proposals, prior to seeking approval from Cabinet in December 2024.

If approved by Cabinet, the intention is to make an application for powers to implement a Lane Rental Scheme to the Secretary of State for Transport before 31 March 2025. If it is not possible to achieve this submission date, that the Council applies at the next available opportunity, currently identified as October 2025.

2. Background

The Traffic Management Act 2004 (TMA) imposes a duty on all local traffic authorities to secure the expeditious movement of traffic on their road networks, and to facilitate the expeditious movement of traffic on other authorities' networks. Additionally, the New Roads and Street Works Act (NRSWA) 1991 places a duty to coordinate street and road works on the highway.

This is commonly known as the highways network management duty.

Section 74A of the NRSWA and the Street Works (Charges for Occupation of the Highway) (England) Regulations 2012 provide the legislative basis for Lane Rental schemes to be implemented.

Kirklees Council already operates a Permit Scheme to manage and coordinate works and activities on the highway.

There is no duty to implement a Lane Rental Scheme, although a growing number of local authorities are implementing a Lane Rental Scheme

A Lane Rental Scheme is effectively an enhancement to the Permit Scheme on a predetermined network of *critical streets* across the district, whereby works promoters would be encouraged and incentivised to carry out their works at times that are less disruptive to the public.

If roadworks on the designated Lane Rental network are carried out during the restricted times, then a daily charge of up to £2500 can be levied by the council.

Lane Rental charges will apply to works promoted by utility companies, highway authorities and private (developer) works.

There is a requirement in the regulations for exemptions, fee waivers and reductions to be included in the Lane Rental Scheme for matters such as emergencies (up to 48 hours), to support projects of national importance, and for activities where genuine collaboration has taken place to reduce the impact of works on the local community.

Lane Rental Scheme activities to date include:

- The appointment of a specialist consultant to guide the Council's officers through a complex process of engagement, document production, cost benefit analysis processes.
- Commissioned and reported on the evaluation of the existing Permit Scheme, which has determined that Kirklees' performance is 'excellent'. Available here [Kirklees Council Permit Scheme Year 3 Evaluation Report](#).
- Established a Kirklees Council Steering Group and met with key internal officers (including Finance, Legal, Environmentally Health) to identify and address any concerns with the proposal.
- Agreed a Memorandum of Understanding with Environmental Health Officers regarding concerns about noise impacts for works carried out at night or during weekends.
- Established a Joint Development Group (JDG), made up of key works promoters and council highways officers.
- Developed a suite of scheme documents and consulted upon these with the JDG. No objections were received and no significant cause for concern has been raised by the representatives.
- It is a requirement of the submission to DfT that the council's network of traffic sensitive streets is up to date. Under section 64 of NRSWA, streets may be designated by the Street Authority as 'traffic sensitive' i.e. defined as one on which any work will create unacceptable delays and disruption to highway users at specified times. A review of this network is currently underway and must be completed before the Lane Rental application is concluded.
- The identification of the Lane Rental network of streets and the respective days/times when restrictions would be applied; this task is underway.
- The preparation of the Cost Benefit Analysis (CBA) calculations is currently underway to enable Cabinet to determine whether the Lane Rental Scheme will deliver good value for money.

Next Steps:

- To commence the formal consultation of the Scheme including the scheme documentation with affected parties in the next few weeks.
- Prior to implementation, additional staffing levels and changes to existing staff structures and processes will have to be identified to operate the Scheme effectively. It is important for the success of the project that appropriate staff resources are in place at the start of the project 'go live' period. It is anticipated that the increase in staffing will be in the region of in the region of 4 to 5 full time equivalent positions.
- The Council will also be required to establish a Surplus Income Revenue Plan and Board to manage and allocate any monies received over the operating costs. The Surplus Income Revenue Board is required to consist of equal representatives of both Highway Authority and utility company representatives, with an independent chair. The operational costs of running such a Board can be funded from the Lane Rental Scheme income.
- Currently any surplus income (after all operating costs have been met) can only be directed to Highways projects that deliver investment in innovative materials, processes, or products; enhancements in the quality of data and asset information, measures to abate noise, pollution, or highway safety. It can be used for projects that support either the highway authority, a statutory undertaker, or other parties, so long as it can be demonstrated that the solution reduces the impact of street works.
- The regulations say the surplus income is *not* to provide training of staff, or for the repair of potholes or general wear and tear of the highway asset.

- In the Plan for Drivers, the previous government encouraged all highway authorities to develop lane rental schemes, and in October 2024 the DfT introduced a fixed period for applications for lane rental scheme approvals each year, starting with applications before 31 March 2025: the next opportunity being before 31 October 2025, due to the anticipated demand from highway authorities across the country.
- The intention is for Kirklees officers to aim for the 31 March 2025 submission date, although it is recognised that this is a very tight timeframe. If this is not achieved, then an application would not be considered by DfT until the 31 October 2025 application date.
- If approved, the Lane Rental Scheme would be expected to come into effect 6 months after the application, so October 2025 or April 2026.

3. Implications for the Council

3.1 Council Plan

A Lane Rental Scheme is a modern approach to highway network management, promoted by the government to bring about real behavioural change in works promoters' activities.

Lane Rental scheme objectives are linked to existing Transport Strategy objectives that aim to deliver a cleaner and greener environment, and one that contributes to the climate action objectives.

The implementation of a Lane Rental Scheme would contribute to all the Council's 2024/25 priorities – ensuring that those parties that cause the most disruption to the traveling public, pay a premium for taking that approach.

Any surplus income from a Lane Rental Scheme must be reinvested in highways projects.

3.2 Financial Implications

The Council has committed £77,000 for consultancy fees and additional internal staff time to develop the proposals. A Cost Benefit Analysis calculation is currently being developed with the consultants to ascertain the likely operating costs and potential income, relative to the volume of works in the district and our proposed Lane Rental network, and the forecasted degree of behavioural change to non-chargeable periods.

It should be noted that 100% compliance from works promoters would mean that no additional income would be generated by the scheme whilst additional operating costs would still apply due to the effectiveness of the additional staff redirecting these works to less disruptive times.

Looking at examples from those authorities that already operate a Lane Rental Scheme, the consultant has advised that it is very unlikely that this level of compliance would be achieved despite being the fundamental reason for the scheme.

The consultant's initial scoping document suggested that a surplus would be achievable from such a scheme in Kirklees. The full CBA and expected operating costs will be reported to Cabinet in December 2024.

3.3 Legal Implications

Section 74A of the NRSWA and the Street Works (Charges for Occupation of the Highway) (England) Regulations 2012 provide the legislative basis for Lane Rental schemes to be implemented. There are no legal implications associated with this report anticipated.

3.4 Other (e.g. Risk, Integrated Impact Assessment or Human Resources)

The implementation of the LRS will bring with it additional and more intensive discussions with works promoters that cannot be achieved with the existing Permit Scheme staffing

levels. It is anticipated that there will be a need for a small number of additional staff at a range of levels, to manage the scheme, assess permit applications, negotiate with works promoters, coordinate, and inspect their works. The operational costs including for the additional staff required are fully recoverable from the LRS income

There is the potential for the LRS applications and charges to reduce the income of the existing Permit Scheme (it is not permitted to charge for Permit Scheme and Lane Rental fees). As the two schemes will be delivered by the same Highways team (Streetworks) the expectation is that an increase in income in one area will offset the decrease in the other.

There is a requirement to charge all works promoters, including the council's own works promoters if they occupy a Lane Rental designated street during the restricted period. The Lane Rental Scheme documentation provides for some waivers for works that support investment in the highway asset and where safety or active travel benefits are being realised. Where waivers are not appropriate, the council's works promoters will also be required to amend their working practices to reduce the disruptive impact of their works or pay the Lane Rental charges. This may increase the cost of delivering the council's own works but it demonstrates parity to the other works promoters, and sets the expectation that there is a cost to disruption that all works promoters should look to minimise.

4 Consultation and engagement

There are two stages of engagement: the initial establishment of a Joint Working Group and Steering Group to help develop a scheme that affected parties are content with, and then the formal statutory consultation, prior to applying to the DfT.

Invitations to participate in the Joint Working Group were distributed to approximately 200 relevant parties including neighbouring authorities, WYCA, the utility providers, Network Rail, and other special interest groups. The Joint Development Group representatives have worked together to develop a suite of documents that address everyone's concerns.

The Steering Group consists of colleagues from internal teams including Legal, Finance, Environmental Health colleagues.

An MOU has been agreed with Environmental Health colleagues to ensure that complaints associated with noise from road works during the evening or weekends is addressed.

It should be noted that the Kirklees Council Lane Rental Scheme is being developed concurrently with the Leeds City Council Lane Rental Scheme. This approach has been welcomed by the utility companies both in time saving and consistency of scheme documentation. Wakefield Council have recently started developing their Lane Rental scheme, using the same documentation as Kirklees and Leeds.

5 Options

5.1 Options Considered

Kirklees Council is not required to implement a Lane Rental Scheme and can continue to use the existing Kirklees Permit Scheme to manage and coordinate activities on the highway. This approach would not however deliver the greater controls and behavioural changes that are desired to improve highways safety and journey times, reduce air and noise pollution and carbon usage, and deliver the quality-of-life benefits that these controls can deliver.

5.2 **Reasons for recommended Option**

These proposals align with the Council's vision to be a district that combines a strong, sustainable economy with a great quality of life - leading to thriving communities, growing businesses, high prosperity, and low inequality where people enjoy better health throughout their lives. Additionally, the proposals contribute to the corporate outcomes, most notably those related to 'sustainable economy', 'safe and cohesive', 'clean and green' and 'efficient and effective'.

6 **Next steps and timelines**

Next steps are highlighted in point 2 of this report. A report to determine whether to make an application to the Secretary of State for Transport will be presented to Cabinet in December 2024.

7 **Contact officer**

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8 **Background Papers and History of Decisions**

[Lane rental schemes: guidance for English highway authorities - GOV.UK](#)

9 **Appendices**

None

11 **Service Director responsible**

Ms K Armitage

Job Title: Interim Service Director Highways and Streetscene

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