

Kirklees Council Lane Rental Scheme

Meeting:	Cabinet
Date:	9 September 2025
Cabinet Member (if applicable)	Councillor Tyler Hawkins
Key Decision Eligible for Call In	Yes Yes
<p>Purpose of Report</p> <p>A Lane Rental Scheme (LRS) is a regulatory framework that allows highway authorities to charge utility companies and contractors a daily fee for occupying the most traffic-sensitive roads at the busiest times. The aim is to incentivise faster, more efficient roadworks and minimise disruption to road users.</p> <p>Kirklees Council has developed a LRS and would like to apply to the Secretary of State (SoS) for Transport for powers to operate its 'Scheme'. Applications to the Department of Transport must be submitted before 1 October 2025.</p> <p>This report outlines the role of a LRS in managing highway works and seeks approval from Cabinet to delegate authority to the Executive Director (Place) in consultation with the Portfolio Holder Highways & Waste to consider feedback to the statutory consultation; determine the contents of the LRS, make an application to obtain those powers and if subsequently approved by the Secretary of State for Transport, implement the Scheme.</p>	
<p>Recommendations</p> <p>That Cabinet notes the commencement of the statutory consultation and delegates to the Executive Director (Place) in consultation with the Portfolio Holder (Highways & Waste) to:</p> <ul style="list-style-type: none"> • consider the results of the statutory consultation, • determine the contents of the Lane Rental Scheme • determine whether to make an application and of the timing of the submission to the Department of Transport (DfT), • and if DfT/Secretary of State for Transport (SoS) approval is granted, to implement the Kirklees LRS • determine the governance arrangements for the Surplus Income Board <ul style="list-style-type: none"> • That Cabinet notes the content of the Integrated Impact Assessment noted in paragraph 3.5 of this report. <p>Reasons for Recommendations</p> <ul style="list-style-type: none"> • To enable due consideration of the findings of the statutory LRS consultation that concludes on 26 August 2025 • To enable the LRS contents to be reviewed and amended following the conclusion of the consultation prior to making an application to Department of Transport 	

- To determine whether an application to the Department of Transport is made in the current application period before 1 October 2025, is delayed until the next application period (31 March 2026), or not progressed.
- To enable, if approved by the SoS, the implementation of the Kirklees Lane Rental Scheme, with the aim of reducing disruption from road works on the busiest streets at the busiest times, improving air quality, and making journey times more reliable.

Resource Implications:

- The development of the Kirklees Lane Rental Scheme is expected to incur costs of £77,000 for specialist consultancy fees, plus internal officer fees.
- All development, operational, and evaluation costs should a LRS be implemented, can be funded from the income generated through the Scheme.
- A small number of additional staff resources (3 or 4 FTE's) are likely to be required to manage the additional activities and negotiations involved in operating the LRS. All operational costs are deductible from the revenue generated by lane rental.
- The Cost Benefit Analysis indicates a 2.26:1 positive benefit from the implementation of the LRS
- There is the potential to generate surplus income once all operational costs are deducted, however any estimates of income are uncertain as they are dependent on the degree of behavioural change afforded by the works promoters. All surplus monies must be reinvested in highways.

Signed

Mr David Shepherd
Executive Director Place

Mr K Mulvaney
Service Director - Finance

Ms Samantha Lawton
Service Director - Legal, Governance &
Commissioning (Monitoring Officer)

Dates signed off ahead of Cabinet on 9 September 2025

30 August 2025

1 September 2025

1 September 2025

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

Has GDPR been considered? There are no GDPR implications associated with this report.

1. Executive Summary

- The Kirklees Lane Rental Scheme (LRS) is designed as a strategic tool to drive behavioural change in how road works are planned and executed across the district. By introducing financial disincentives for disruptive works on critical roads during peak times, the scheme aims to reshape the practices of utility companies, developers, and internal council 'works' teams in the way in which they plan and deliver their works.
- Key behavioural objectives include the encouragement of proactive planning, collaborative working among works promoters, improved efficiency through faster more effective delivery of works, with a focus on "first-time fix" solutions - ultimately, a shift in organisational culture from all works promoters towards minimising disruption and maximising works delivery efficiency.
- A LRS provides enhanced accountability, including the delivery performance of the Council's own teams, as all works promoters are subject to the same rules, reinforcing a culture of fairness and responsibility.
- Expected outcomes include reduced traffic congestion and disruption, improved journey reliability, lower air-borne emissions and noise pollution due to fewer delays and better scheduling, an increased public satisfaction with roadworks management.
- The scheme offers discounts and waivers of charges for emergencies, nationally significant projects, and genuinely collaborative efforts.
- Transitional arrangements are provided to allow works promoters time to adapt their planning and delivery models to the new ways of working, and for internal restructuring of the Council's teams to be implemented to support more intensive engagement and negotiation with promoters.
- Developed with input from a Joint Working Group of utility companies and internal stakeholders.
- A statutory 8-week consultation runs from 30 June to 26 August 2025, and the feedback will inform the final LRS before submission to the Department for Transport (DfT).
- Financial implications include development costs of £77,000 consultancy fees, with additional internal staff costs on top. If implemented, all development and operational costs can be funded through the income generated.
- The proposed LRS indicates that the maximum daily charge for working on a restricted road at the restricted times is £2500 in line with the NRSWA and the Street Works (Charges for Occupation of the Highway) (England) Regulations 2012. Experience from other lane rental scheme operators is that the maximum charge is required to achieve measurable behavioural change from works promoters. Charge limits are set by government, and the Council has no discretion to increase the charges independently.
- The Cost Benefit Analysis of the Kirklees LRS and network of streets forecasts a 2.26:1 return, with the potential to generate additional income once the of initial set up fees, ongoing operational and evaluation costs are deducted. Any surplus income after running costs have been deducted must be reinvested in highways. A summary of the Cost Benefit Analysis is available in Appendix A to this report.
- The behavioural change driven by the LRS aligns with Kirklees Council's broader goals for a cleaner, greener, safer, and more efficient transport network, contributing to climate action and quality-of-life improvements.

2. Information required to take a decision

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 (LRS) to be implemented.

The objective of the LRS is to use the threat of significant charges to encourage better planned and delivered roadworks, to bring about collaborative working amongst works promoters, to produce efficient and effective infrastructure solutions, to improve highway safety, and to reduce traffic congestion and delay. It is a 'behavioural change' approach.

LRS charges would apply to all works promoters, including utility companies, other asset owners, private (developer) works, and our own highway authorities works. A LRS is effectively an enhancement to the existing Permit Scheme on a network of *critical streets* across the district, by which works promoters would be encouraged and incentivised to carry out their works at times that are less disruptive to the public. Further information relating to lane rental is available from the Department for Transport in the [Lane Rental Schemes: Guidance for English Highway Authorities](#).

Kirklees Council already operates a Permit Scheme to manage and coordinate works and activities on the highway, which has been assessed as '[excellent](#)' in the most recent Permit Scheme Evaluation, which is available on the Council's website.

There is no duty to implement LRS, although a growing number of local authorities are applying for powers, and both the previous and current governments have encouraged highway authorities to develop schemes.

All five West Yorkshire Councils are now developing LRS, with both Leeds City Council and Wakefield Council indicating their intention to make applications in September 2025. North Yorkshire Council made their application in March 2025.

The LRS restrictions would apply to 10% of the total length of the district's roads and would only apply during the time periods for that specific road. Works outside the restricted times would be subject to a permit under the existing Permit Scheme, but not Lane Rental charges as well.

If works on the LRS network are carried out during the restricted times when they could reasonably have been carried out at another time, then a daily charge of up to £2500 can be levied.

There is provision in the LRS documentation to outline opportunities for exemptions, fee waivers and reductions 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. Transitional arrangements are also identified to give works promoters the opportunity to plan for these changes.

Approval was granted by Executive Leadership Team on 16 April 2024 to develop and consult on a LRS for Kirklees that would strengthen existing highway network management coordination and compliance controls associated with street and road works.

The Kirklees LRS documents have been developed in conjunction with the statutory undertakers/utility companies in a specific Joint Working Group.

Additionally, a Memorandum of Understanding has been agreed with Kirklees Council Environmental Health Officers regarding potential concerns about noise impacts for works that may be redirected to nighttime or during the weekends.

As part of the application process to DfT, details of the governance arrangements that will be put in place for dealing with surplus revenues, including the arrangements for consulting representatives of street works undertakers on decisions about how those revenues will be spent.

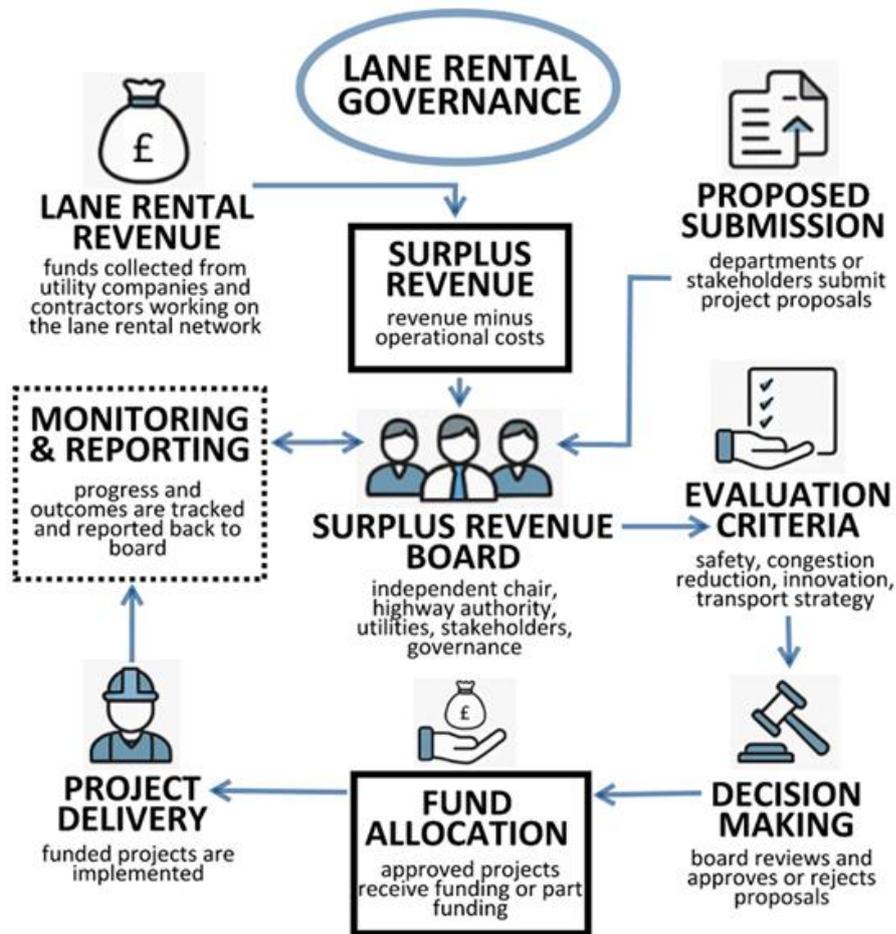
To determine the use of any surplus revenue; the Council will establish a Surplus Income Board, comprising of representatives of:

- the regional Joint Utilities Group (comprising water, gas, electricity and communications).
- Kirklees Highway Authority.
- An independent Board Chair.
- Representatives from the team that will evaluate opportunities or requests for funding and monitors and reports on the results.
- Requests for surplus income to fund appropriate projects will be submitted with a business case setting out estimated costs, benefits, expected outcomes, and timescales. If the person or organisation submitting the request for funding does not have the skills or resources to prepare business case, a request can be made to the team or body that administers the process for support.

The results of the initiatives undertaken will be published and an objective measurement will be recorded and published to identify the end benefit towards network management and road users in Kirklees.

The management of the revenues from the LRS will be separate from other council revenues.

Kirklees Council will keep an account of the revenues and costs associated to the LRS, including a record of the application of surplus revenues. These accounts will be published on an annual basis. The graphic below aims to demonstrate in simple terms how the Surplus Income Board would operate.



An annually published evaluation report for the Lane Rental Scheme is a requirement of the Scheme.

A statutory 8-week consultation of the Kirklees LRS commenced on 30 June 2025 and closes on 26 August 2025. The findings of this consultation are not expected to be fully known at the time this report needs to be published for Cabinet on 9 September, however feedback will be reported verbally at the meeting.

Given the application deadline and the timetable for Cabinet meetings, Members are asked to delegate to the Executive Director (Place) (EDP) in consultation with the Portfolio Holder for Highways and Waste (PH H&W), the decision as to whether an application is made to DfT on 30 September 2025.

Delegating the decisions in this report to EDP and PH H&W should provide sufficient time for the consultation responses to be assessed, and amendments to be made to the LRS documentation, if necessary, in time to achieve the DfT application deadline.

Postponing the decision to a future Cabinet meeting would mean that the submission would be postponed until the 31 March 2026 deadline, delaying the implementation of these controls until 2027 at the earliest.

3. Implications for the Council

3.1 Council Plan

Lane rental schemes are a modern approach to the management and coordination of works on the highway network and is encouraged by the government to bring about real behavioural change in the management of highway works. On 3 July 2025, the Government's Transport Committee has published their recommendations in their report [Managing the Impact of Street Works](#) that they are supportive of local authorities adopting lane rental schemes.

The LRS objectives are linked to current Council priorities that ensure that we '[get the basics right](#)' and therefore aim to deliver a cleaner and greener environment, and one that contributes to the climate action objectives, ensuring that those parties that cause the most disruption to the traveling public when alternative arrangements are possible, pay a premium for taking that approach.

3.2 Financial Implications

The Council has committed £77,000 for consultancy fees, with additional internal staff time to develop the proposals, funded initially from the Highways Revenue Budget. If lane rental is implemented, all the development costs, the ongoing operational costs, and the costs of the scheme evaluation reports, can be funded from the income from the LRS.

A Cost Benefit Analysis calculation has been produced by specialist consultants to ascertain the likely operating costs and potential income relative to the volume of works in Kirklees and our proposed Lane Rental network. The CBA also forecasts the degree of behavioural change expected through works being moved to non-chargeable periods such as 'off peak' periods, evenings or weekend working.

The CBA indicates a 2.26:1 benefit to cost projection. This is a positive position and indicates that for every £1 invested, there is a £2.26 benefit to society from implementing the LRS. A summary of the CBA is provided in the Appendix A of this report, and a link to the full assessment is available in paragraph 4 of this report.

The CBA modelling has also indicated that allowing for works programmes being delivered in different ways, or not at all, some discounts and waivers being offered, the additional costs for the Highway Authority own works lane rental charges, and the scheme development and operating costs, the LRS could potentially generate some surplus income. It should be noted that the CBA is a statistical indicator and should not be used as a forecast of actual income. There are many reasons why these figures would change and therefore cannot be relied upon, not least that works promoters may change their behaviours and work at less disruptive times, and therefore not attract any lane rental charges.

It should be noted that 100% compliance from works promoters would mean that no additional income would be generated by the scheme, whilst there would still be the additional operating costs from the employment of the additional staff needed to work with the works promoters to encourage less disruptive ways of working. In addition, evaluation reports would be required to be produced and published annually.

Looking at experiences from those authorities that already operate lane rental schemes, our consultant has advised that it is very unlikely that 100% compliance would be achieved, despite the high charges involved.

It is anticipated that 3 or 4 additional staff at different levels in the organisation might be needed to manage the additional collaboration and coordination work required with the works promoters, and to manage the technical administrative and invoicing processes. The additional staff would work within the existing Network Management Streetworks Team that operates the existing Permit scheme. In the unlikely event that the LRS income does not cover the additional staffing costs, then the Streetworks Team budget will be required to fund these additional posts.

Any surplus income from LRS, after deducting those operational and evaluation costs, are then set aside by the authority and managed by the Surplus Income Board.

The Surplus Income Board can then assess and allocate funds for purposes intended to reduce the disruption or other adverse effects arising from road works and can be used for capital or revenue projects.

The current legislation precludes the use of lane rental surplus monies to be spent on highway maintenance activities; however, the government is currently reviewing primary legislation to enable at least 50% of surplus monies to be spent on highway maintenance.

In the interim, the following are examples of what the surplus can be spent on:

- investment in innovation and developing new products or disruption-saving techniques
- trials of new techniques and products and materials
- installing 'pipe subways' or ducting that enable apparatus to be accessed more easily and without disrupting traffic
- measures to improve the quality or accessibility of records, including the location of underground pipes, wires and other apparatus
- measures to help abate noise, pollution, or safety hazards arising because of works
- repairing potholes caused by utility street works
- implementing extraordinary measures to mitigate congestion caused by works, especially major works projects

The establishment of the Surplus Income Board will require transparent financial arrangements and governance that are still to be determined. Further work will take place on this matter as the application with the DfT progresses.

3.3 Legal Implications

Section 74A of the NRSWA1991 and the Street Works (Charges for Occupation of the Highway) (England) Regulations 2012 (as amended by the Street Works (charges for occupation of the Highway) (England) Amendment Regulations 2018) provide the legislative basis for Lane Rental schemes to be implemented.

Reg 7(3) requires an "Approved Authority" to keep and publish yearly accounts of sums recovered by charges including details of how net proceeds have been applied.

The Council must comply with the requirements for statutory consultation set out in the legislation with identified consultees and DoT Guidance: NRSWA 1991- Lane Rental Schemes (Jan 2012) and conscientiously consider the responses.

There is no duty to operate a lane rental scheme.

The Council must comply with its Public Sector Equality Duty under Section 149 Equality Act 2010.

The establishment of the Surplus Income Board will require transparent legal and governance arrangements that are still to be determined. Further work will take place on this matter as the application progresses.

3.4 Climate Change and Air Quality

LRS can contribute to climate change mitigation by reducing localised congestion, improving traffic flow, and encouraging more sustainable practices in roadworks. Faster works completion means less time idling in congestion, and a greater likelihood of 'first time fix' solutions.

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

The implementation of lane rental charges 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 on street. All operational costs are fully recoverable from the LRS income.

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

There is also a requirement to charge all works promoters, including the council's own works promoters if they occupy a lane rental street during the restricted period. The LRS documentation provides for fee waivers and reductions for works that support investment in the highway asset and where safety or active travel benefits are being realised. Where the works do not meet these criteria, the council 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 if those works are poorly planned and contribute to unnecessary disruption. This approach is key in the legislation as it demonstrates parity across all works promoters and establishes a works-planning principle that everyone should look to minimise the disruption caused by their works.

An [Integrated Impact Assessment](#) has been undertaken that considers the impact of the implementation of a LRS on those with protected characteristics, the environment and in compliance with the Public Service Equalities Duty. The key findings are that the greater control over the duration and timing of road works through Lane Rental will have a positive impact on those people that might struggle negotiating road works – specifically the young and elderly, the disabled and mobility impaired, and pregnant women. Some aspects of the environmental impact may also be positively impacted – air quality and greenhouse gas emission due to a reduction in traffic delays and congestion, but noise levels may be displaced to evenings and weekend periods as works promoters work outside of the busy traffic periods.

4. Consultation

The DfT requires authorities to undertake a statutory 8-week consultation of the Kirklees Lane Rental Scheme proposals prior to making an application for legal powers to operate. This consultation is with affected asset owners, utility companies, emergency services, transport providers and many more stakeholders; it is not a consultation that would involve members of the public.

The full list of documents being consulted upon are available on request and include:

- Covering Letter to Consultees
- Consultation Version of the Kirklees Lane Rental Scheme Document
- Consultation Version of the Kirklees Lane Rental Charges Policy and Table
- Consultation Version of the Kirklees Lane Rental Evaluation Plan
- Consultation Version of the Kirklees Lane Rental Cost Benefit Analysis (CBA)
- CBA - Appendix A – Lane Rental Streets List incorporating the relevant Traffic Sensitive Street criteria for the street
- CBA - Appendix B – Lane Rental Map. To access the map, please paste the following into your browser:
<https://mapping.kirklees.gov.uk/connect/analyst/mobile/#/main?mapcfg=%2FAnalyst%2FNamedProjects%2FLane%20Rental%20Network>
- CBA - Appendix C – QUADRO Outputs [Link](#)
- CBA – Appendix D – QUADRO Results Summary (included as Appendix A to this report)

The statutory consultation commenced on 30 June 2025 and closes on 26 August 2025.

Whilst not a requirement of the statutory consultation, it is recommended that a further opportunity for consultees to raise concerns is held mid-way through the consultation period. That meeting was held on 22 July 2025 and consultees were able to raise any queries about the proposals, and further clarification could be provided. The meeting was well attended and received.

5. Engagement

A specialist consultant in this field has been employed to guide and support Kirklees officers in developing a Scheme. Officers have also attended national roadshows, met with DfT senior officers, and other local authorities that have already or will be implementing their own schemes soon.

There is a good understanding amongst officers of what is required to achieve and operate an effective LRS.

As recommended in the lane rental guidance, the council established a Joint Development Group (JDG) with asset owners, statutory undertakers/utility companies and other stakeholders. The intention being to work together from the outset to develop a scheme that affected parties are satisfied with, prior to commencing the statutory consultation.

Invitations to participate in the JDG were distributed to around 200 relevant parties including neighbouring authorities, WY Combined Authority, the utility providers, asset owners such as Network Rail, and other special interest groups. Once established, the

JDG representatives worked together to develop a suite of documents that addressed everyone's concerns, as far as is reasonably practicable.

A separate internal officer Steering Group consisting of colleagues from Legal, Finance, Environmental Health teams was also established.

A Memorandum of Understanding was agreed with Environmental Health colleagues to ensure that arrangements surrounding complaints associated with noise from road works during the evening or weekends, is understood from the outset.

The Lane Rental Scheme proposals were also shared with the Environment and Climate Change Scrutiny board on 20 November 2024. The report is referred to in the Background Papers to this report.

It should be noted that the Kirklees Council LRS 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 has since progressed their scheme using the same approach and is looking to make their application in September 2025.

6. Options

Kirklees Council is not required to implement lane rental controls and can continue to use the existing Kirklees Permit Scheme to manage and coordinate activities on the highway; the 'do nothing' approach. 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 and is therefore not recommended.

6.1 Options Considered

Whilst there are several examples of LRS, the Kirklees LRS has taken advantage of the lessons learned by the small number of authorities that are already operating lane rental schemes. The Kirklees Lane Rental Scheme has been developed to maximise the degree of behavioural change whilst acknowledging that asset owners do have an obligation to access and maintain their apparatus. The scheme documents illustrate that discounts and waivers are available for works promoters that collaborate or change the way they will work to minimise disruption.

There is an obligation to produce an annual evaluation report for lane rental schemes, which will identify whether the scheme is operating effectively or not.

6.2 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', and priority to 'get the basics right'.

The proposed scheme is equitable in that applies to all those parties whose works impact on the public, however discounts and waivers for daily charges are built into the Scheme

for those occasions where alternative ways of working, or urgency of attendance, means that works cannot be delivered in any other way or at a time when alternative arrangements can be planned.

The specialist Cost Benefit Analysis has determined a favourable position of £2.26 of benefits to society realised for each £1 invested if lane rental is implemented in Kirklees.

The ability to reinvest any surplus income into highway projects, particularly those that support innovation and sustainability, offers the potential to reduce the disruption and cost of highway works on current and future projects and generations.

7. Next steps and timelines

Task	Dates/periods	Comments
Application to DfT (Secretary of State for Transport) & creation of Statutory Instrument by DfT if the application is approved	30 September 2025 submission. Assessment & drafting of SI could take 6+ months	Earliest completion April 2026
Confirm and publicise operational systems	Before LRS becomes operational	Ensure documentation, guidance, signposting, etc is available to works promoters
Raise awareness with internal project leads and works promoters of likely changes	Before LRS becomes operational	Support preparedness for potential changes to works delivery models and budgets
Review of resources required to operate the LRS	Before LRS becomes operational	Minor team restructure, recruitment of additional operational staff, and training.
Establish Lane Rental Surplus Board	Before LRS becomes operational	Establish governance procedures to manage and allocate any surplus income.
Trial/shadow running of LRS and transitional arrangements.	Earliest April 2026 for 3 months	Earliest operational date July 2026
Establish annual LRS Evaluation Report processes	1 year after LRS goes live	To establish and publish performance of the scheme and any benefits realised.

The Secretary of State for Transport can approve a scheme submitted by an authority, with or without modifications, or reject it. DfT will liaise with the authority if it requires modifications to be made; there is no requirement to reconsult if modifications are required.

8. Contact officer

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9. Background Papers and History of Decisions

[DfT: Lane rental schemes: guidance for English highway authorities.](#)

[The Kirklees Streetworks Permit Scheme – Year 3 Evaluation Report](#)

[House of Commons Transport Committee: Managing the impact of Street works](#)

[Kirklees Council 'Our Council Priorities' – 'Get the basics right'](#)

[E&CC Scrutiny 20 November 2024 - PROPOSED KIRKLEES LANE RENTAL SCHEME](#)

10. Appendices

Appendix A: Kirklees Lane Rental Scheme Cost Benefit Analysis Summary

11. Service Director responsible

Ms Katherine Armitage

Interim Service Director Highways and Waste

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