

North Yorkshire Council

Environment Executive Members

18 February 2025

Submission of Consultation Responses to the Department for Transport in relation to future Lane Rental Approvals

Report of the Assistant Director - Highways and Infrastructure

1.0 PURPOSE OF REPORT

- 1.1 To update the Executive Member for Highways and Transportation of a consultation undertaken by the Department for Transport in relation to how future Lane Rental schemes should be approved and to seek approval to submit the Council's consultation response.

2.0 BACKGROUND

- 2.1 In December 2024 the Department for Transport (DfT) requested views on the way in which Lane Rental Applications are approved and considers whether to bring highway authorities officially within scope of the charges under Section 74A of the New Roads and Streets Work Act 1991 (NRSWA) to clarify and formalise current arrangements.
- 2.2 Section 74A of the New Roads and Street Works Act 1991 (NRSWA) relates to overrun charges for street works. It is designed to minimize disruption caused by prolonged street works by allowing highway authorities to impose financial penalties on utility companies and contractors that exceed agreed work durations.
- 2.3 Currently, all applications for new Lane Rental schemes must be sent to and approved by the Secretary of State (SoS).
- 2.4 Applications must be in line with the DfT's bidding guidance which sets out the criteria used to assess any applications, for example, in relation to their operation, governance arrangements, and value for money.
- 2.5 At present, section 74A refers to street works only, which are utility works. DfT ask in the statutory guidance for Lane Rental for charges to be applied to works for road purposes carried out by highway authorities before they will approve schemes, and all the existing schemes do this already.
- 2.6 This is to ensure that all works, no matter who is responsible for them, on the busiest parts of the network are planned in a way which will reduce their impact on congestion. This is also in line with the parity principle that was brought in with permit schemes.
- 2.7 The Council have had sight of other responses to this latest consultation from the Joint Authority Group UK, a national forum for Authorities and the Council's proposed views are consistent with theirs.
- 2.8 Given the very short time in which to formulate a response, Officers are seeking an urgent decision through the Executive Member for Highways and Transportation, in consultation with the Corporate Director for Environment governance arrangements. Given the available window, officers have produced a draft response, which is set out as Appendix A.

3.0 CONSULTATION CONTENT

- 3.1 The DfT is consulting on the following options for the future of Lane Rental applications:
- 3.2 Baseline Option (do nothing). This would mean the current process for approving lane rental applications would remain the same and all applications would require approval from the Secretary of State.
- 3.3 Option 1: Authority to approve lane rental would be delegated to Mayors where the highway authority is part of a Mayoral Strategic Authority, which includes London Boroughs that are part of the Greater London Authority. Applications from highway authorities which are not part of a Mayoral Strategic Authority will still need to be sent to the DfT for approval from the Secretary of State.
- 3.4 Option 2: Delegate authority to approve Lane Rental applications to each Highway Authority. Applications would no longer require approval from the Secretary of State. This is the Council's preferred option. This would allow applications to be processed more quickly and as long as a detailed framework is put in place by the DfT, Authorities should be able to use their own governance arrangements to get the schemes approved.
- 3.5 The Council are already in the process of implementing a Lane Rental Scheme with a view to submit the application to the DfT before 1 April 2025. It's very likely that the current arrangements will continue with SoS sign off for the implementation of the scheme, however future amendments to the scheme would benefit from Highway Authority approval should Option 2 be implemented.
- 3.6 As part of either Option 1 and/or 2, and if powers are devolved, the DfT are consulting on whether supporting amendments should be made to the 2012 regulations, for instance, should there be limits on the amount of the network (total length) that could be included in a lane rental scheme and subject to charges.
- 3.7 Option 3: Amend Section 74A NRSWA to bring highway authorities carrying out works for road purposes within scope of the requirement on the face of the Act. This would include all highway authority works including those carried out by National Highways.

4.0 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The alternative option would be to not respond to the consultation. Whilst the Council is already in the process of applying for approval of a Lane Rental Scheme under the current arrangements where SoS sign off is required, it is considered that responding to the consultation is an important undertaking as any future amendments to the scheme would have an impact.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising specifically from responding to the consultation. There are potential financial implications of implementing a lane rental scheme which are the subject of separate reports in line with the Council's governance processes.

6.0 LEGAL IMPLICATIONS

- 6.1 The expectation is that by the time any changes come into effect as a consequence of the DfT Consultation exercise on the approval of Lane Rental Schemes, the Council may have already submitted an application for SoS approval under the current relevant statutory

framework and timeframes for the Scheme. It is considered that there are no legal implications in responding to the Consultation.

7.0 EQUALITIES IMPLICATIONS

7.1 There are no Equalities implications to answering the consultations see EIA at Appendix B.

8.0 CLIMATE CHANGE IMPLICATIONS

8.1 See climate change implications at Appendix C.

9.0 REASONS FOR RECOMMENDATIONS

9.1 To ensure that North Yorkshire Council feedback their views on any upcoming changes in relation to the approval or amendment of Lane Rental schemes in the future.

10.0 RECOMMENDATION

10.1 It is recommended that the Executive Member for Highways and Transportation, in consultation with the Corporate Director for Environment approves the submission of the proposed response to the DfT, as attached at Appendix A.

APPENDICES:

Appendix A – Draft Responses

Appendix B – Equalities Impact Assessment Screening

Appendix C – Climate Impact Assessment

BACKGROUND DOCUMENTATION

<https://static.hauc-uk.org.uk/downloads/lane-rental-consultation-Dec-24.pdf>

Barrie Mason
Assistant Director - Highways and Infrastructure
County Hall
Northallerton
18 February 2025

Report Author – Alex Hollifield, Team Leader, Network Information and Compliance
Presenter of Report – Allan McVeigh, Head of Network Strategy

Question 1- Are you responding on behalf of an organisation?

- Yes
- No

Question 2- Your organisations name is?

North Yorkshire Council

Question 3- Are you responding on behalf of an organisation?

- Yes
- No

If yes, please answer questions 4 and 5. If no, please continue to question 6.

Question 4- Your organisations name is?

North Yorkshire Council

Question 5- Your organisation is

- A utility company
- A highway authority
- A mayoral strategic authority
- A contractor
- A representative body
- Other

Please specify

Question 6- Who do you think should be responsible for approving highway authority lane rental applications?

- The Secretary of State (SoS)
- Mayors of Mayoral Strategic Authorities - local highway authorities without a mayor would still require SoS approval
- The highways authority (as defined under s1 Highway Act 1980)
option 3 should be considered with the necessary checks and frameworks in place to ensure scheme quality.

Question 7- What do you believe the benefits of delegating authority to approve lane rental applications to mayors would be?

- Consistency in terms of how lane rental operates across each MSA region.
- Agree Disagree
As long as there is a regulatory framework in place.
- It would allow for some variation between regions to cater for different types of networks as Mayors will have a better knowledge of the needs of the local network.
- Agree Disagree

Local network needs will still be determined through the allocation of Lane Rental streets which will have both Highway Authority and MSA input.

- Create efficiencies and reduce administration for highway authorities.

Agree Disagree

The Authority would need the same level of input to collate an application.

- The approval process will be quicker

Agree Disagree

Allowing MSA's to approve schemes would allow a quicker turnaround. Currently the DfT have large volumes of schemes to approve which can cause a delay.

• Other

Please specify

Any scheme must meet the statutory guidance to ensure consistency.

Question 8- What do you believe would be the disadvantages of delegating authority to approve lane rental applications to mayors would be? Are there any specific impacts or consequences that you believe the DfT should consider

• It will create regional differences in lane rental schemes across England.

Agree Disagree

As long as there is a statutory framework in place, inconsistency across schemes should be minimal

• MSAs not having the necessary resource to assess bids, make orders, oversee governance and accounting arrangements, and agree any scheme variations.

Agree Disagree

MSA's can use Lane Rental surplus to cover additional resources for scheme approval.

• Lane rental schemes losing the focus on reducing congestion from works through behavioural changes and being used to generate revenue.

Agree Disagree

Again, as long as there is a framework in place, this shouldn't be an issue.

• Other

Please specify

Question 9- What do you believe the benefits of delegating authority to approve lane rental applications to highway authorities would be?

• Quicker application and approval process for lane rental across England allowing the benefits of lane rental to be spread to other authority areas with heavily congested roads.

Agree Disagree

Applications would be turned around in a shorter timescale.

• Each highway authority will have good knowledge of the local network and can use this when assessing their own applications.

Agree Disagree

This is still picked up in the identification of the Lane Rental street list as it is now.

- Other

Please specify:

Question 10- What do you believe would be the disadvantages of delegating authority to approve lane rental applications to highway authorities would be? Are there any specific impacts or consequences that you believe the DfT should consider?

- This approach could lead to bias with authorities approving their own lane rental applications.

Agree Disagree

Potentially as risk, however as long as a statutory framework in place, this shouldn't be an issue.

- Each authority would be responsible for providing policy, legal and analytical quality assurance for the lane rental application from its own highway authority so this could lead to greater administrative overheads for them.

Agree Disagree

Lane Rental surplus will cover the additional resource.

- Burden on utility companies affected by the schemes who would need to support numerous governance groups.

Agree Disagree

There is no real difference to now with permit schemes.

- Variations in how lane rental schemes are implemented and operate across England.

Agree Disagree

As long as the framework is in place no real issue

Increased administration costs for utility companies.

Agree Disagree

None foreseen because resource costs are covered by Lane Rental surplus.

- Lane rental could be used to raise revenue rather than continue being targeted on reducing congestion and encouraging behavioural change.

Agree Disagree

As long as framework is in place and objectives are around network efficiency.

- Authorities would also be responsible for approving variations so could result in

additional streets being added to the scheme over its lifetime.

Agree Disagree

We don't disagree that variations to schemes like the addition of Lane Rental streets should apply dependent on the needs of the network.

• Other
Please specify

Question 11- Should works for road purposes be in scope of Section 74a?

- Yes
- No
- Don't know

We can see the benefits in terms of the parity issue and ensuring that works take place in a timely manner on the busiest roads at the busiest times, to minimise disruption, especially in relation to 278 and developer works. However, the nature of "works for roads" and Highway Maintenance, is different in nature to that of utility planned and development works. Often works for roads are short term works where occupation of the highway is minimal and often reactive.

Question 12 - What additional changes or safeguards would you want to see if power to approve lane rental schemes was devolved?

Include in regulations, caps on how many streets can be included in a lane rental scheme

Yes No

If yes, should this cap be

- Up to 10% of the total network length (current maximum in DfT guidance)
- Up to 20% of the total network length
- Other

There should not be a cap on the percentage of network. Each Authority is different e.g., Transport for London has 68% of their network designated. The point of the scheme is to incentivise working outside the busiest streets at the busiest times. Some Authorities will have more urban streets that require protecting, and some will have rural ones that are the only way in and out of conurbations where works can cause a lot of disruption.

As long as the streets fit the criteria for Lane Rental it should be designated as such.

Include in regulations, caps on the amount of annual variation of streets included in a lane rental scheme.

Yes No

If yes, should this cap be

- Plus or minus 3% of the number of streets included in the lane rental scheme (current maximum in DfT guidance)
- Plus or minus 5% of the number of streets included in the lane rental scheme
- Other

No Cap should be introduced. If Authorities find that some of their routes not allocated as Lane Rental are causing disruption, an annual review should be done where changes to the Lane Rental

network can be made to ensure better coordination of works and to minimise disruption for the public.

DfT should issue statutory guidance:

Specify in regulations that lane rental can only be applied on streets included in a permit Scheme

Yes No

This is irrelevant as all Authorities should have an “all streets” permit scheme anyway so any streets designated as Lane Rental should already be a “permit street”

Street Manager should include more lane rental functionality.

Agree Disagree

More reporting functionality is required and an easier way to identify lane rental/ permit charges.

Specify in regulations or guidance additional exemptions to charges

Yes No

If yes, what exemptions would you like to see added

Clear guidance on what constitutes an exemption and also specify where it is appropriate to waive or mitigate charges.

Specify in regulations or guidance that charging policies should not simply apply the maximum charge to all roads in the scheme.

Yes No

The point of lane rental is to incentivise Undertakers to work outside busy times on the busiest roads. Not applying the maximum charge will defeat the purpose of the charges.

Other

Please tell us what other safeguards/ changes you would like to see

Please provide your answer

Clear guidance around the governance of joint working groups for lane rental schemes, how to apply for funding from the surplus revenue and a clear dispute resolution where agreement cannot be made.

Question 13- Do you have any other comments or suggestions on how the approval process for lane rental approval applications can be improved?

Please provide your answer

In the Introductory text about Lane Rental schemes, the DfT discuss changes in the ‘distribution of surplus funds’ intended to be implemented in 2025 that at least 50% of surplus funds to be spent on road maintenance and then states that at least 50% of surplus funds should be available for innovation, new techniques, and future proofing by installing new ducts. Clarification required as it suggests 50% is designated for highway maintenance and 50% for innovation. Is this the intention?

Initial equality impact assessment screening form This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
Directorate	Environment		
Service area	Network strategy		
Proposal being screened	Consultation responses to Lane Rental Scheme Approvals		
Officer(s) carrying out screening	Alex Hollifield		
What are you proposing to do?	Respond to a consultation set out by the DfT		
Why are you proposing this? What are the desired outcomes?	To put across a view from the Highway Authority		
Does the proposal involve a significant commitment or removal of resources? Please give details.	None		
<p>Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics</p> <p>As part of this assessment, please consider the following questions:</p> <ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? <p>If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your directorate representative for advice if you are in any doubt.</p>			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		X	
Disability		X	
Sex		X	
Race		X	
Sexual orientation		X	
Gender reassignment		X	
Religion or belief		X	

Appendix B

Pregnancy or maternity		X	
Marriage or civil partnership		X	
People in rural areas		X	
People on a low income		X	
Carer (unpaid family or friend)		X	
Are from the Armed Forces Community		X	
Does the proposal relate to an area where there are known inequalities/probable impacts (for example, disabled people's access to public transport)? Please give details.	none		
Will the proposal have a significant effect on how other organisations operate? (for example, partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	No		
Decision (Please tick one option)	EIA not relevant or proportionate:	X	Continue to full EIA:
Reason for decision	Answering the consultation questions should not have an impact on any individual. Its purpose is to contribute a view from the authority on the future of Lane Rental Schemes		
Signed (Assistant Director or equivalent)	Barrie Mason		
Date	10/02/2025		

Initial Climate Change Impact Assessment (Form created August 2021)

The intention of this document is to help the council to gain an initial understanding of the impact of a project or decision on the environment. This document should be completed in consultation with the supporting guidance. Dependent on this initial assessment you may need to go on to complete a full Climate Change Impact Assessment. The final document will be published as part of the decision-making process. If you have any additional queries, which are not covered by the guidance please email climatechange@northyorks.gov.uk

Title of proposal	Seeking approval from the Corporate Director for Environment in consultation with the Executive Member agree to the submission of the proposed response to the DfT, as attached at Appendix A.
Brief description of proposal	To answer consultation responses to Lane Rental Scheme Approvals in the future,
Directorate	Environment
Service area	Network Strategy
Lead officer	Alex Hollifield
Names and roles of other people involved in carrying out the impact assessment	

The chart below contains the main environmental factors to consider in your initial assessment – choose the appropriate option from the drop-down list for each one.

Remember to think about the following.

- Travel
- Construction
- Data storage
- Use of buildings
- Change of land use
- Opportunities for recycling and reuse

Appendix C

Environmental factor to consider	For the council	For the county	Overall
Greenhouse gas emissions	No effect on emissions	No Effect on emissions	No effect on emissions
Waste	No effect on waste	No effect on waste	No effect on waste
Water use	No effect on water usage	No effect on water usage	No effect on water usage
Pollution (air, land, water, noise, light)	No effect on pollution	No effect on pollution	No effect on pollution
Resilience to adverse weather/climate events (flooding, drought etc)	No effect on resilience	No effect on resilience	No effect on resilience
Ecological effects (biodiversity, loss of habitat etc)	No effect on ecology	No effect on ecology	No effect on ecology
Heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape

If any of these factors are likely to result in a negative or positive environmental impact, then a full climate change impact assessment will be required. It is important that we capture information about both positive and negative impacts to aid the council in calculating its carbon footprint and environmental impact.

Decision (Please tick one option)	Full CCIA not relevant or proportionate:	X	Continue to full CCIA:	
Reason for decision	Answering the consultation responses will have no impact on climate change.			
Signed (Assistant Director or equivalent)	Barrie Mason			
Date	10/02/2025			