

Brighton & Hove City Council

Cabinet

Agenda Item 130

Subject: Lane Rental Scheme

Date of meeting: 12th February 2026

Report of: Cabinet Member for Transport & City Infrastructure

Lead Officer: Corporate Director City Operations

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 The New Roads and Street Works Act 1991 (NRSWA) and Traffic Management Act 2004 (TMA) impose a duty on all local traffic authorities to secure the expeditious movement of traffic on their highway network. To assist with the planning and coordination of road and street works, Brighton & Hove City Council (BHCC) has operated a Permit Scheme on all its streets since 2015.
- 1.2 To further enhance delivery of the duty and to specifically target the disruption caused by road and street works, BHCC is proposing that a Lane Rental Scheme (LRS) be implemented across the city. The LRS would be an additional tool that would enhance the Council's ability to manage works, including our own works and developer works, driving a behavioural change in how the works are delivered.
- 1.3 The delivery of this scheme directly supports the delivery of Our City Transport Plans (LTP5) objectives to 'Delivery a safe, inclusive and integrated transport system and also to create well-maintained streets'. This in turn directly contributes to the Council's overall goal to 'deliver an accessible, clean and sustainable environment that we can all be proud of',
- 1.4 This report explores the benefits of introducing the LRS and details the stages of development and makes recommendations in order to introduce the LRS within BHCC.

2. Recommendations

- 2.1 That Cabinet agrees that an application to the Secretary of State should be made to secure the required powers to introduce Lane Rental to Brighton and Hove City Council.
- 2.2 That Cabinet delegates authority to the Corporate Director of City Operations to develop the Lane Rental Scheme in consultation with the Member for Transport and City Infrastructure, carry out stakeholder consultation on this scheme and apply to the Secretary of State for approval to introduce Lane Rental.

2.3 That the Committee delegates authority to the Corporate Director of City Operations, in consultation with the Member for Transport and City Infrastructure implement the Lane Rental Scheme following the Secretary of State approval.

3. Context and background information

3.1 Network Management receives in the region of 20,000 requests to work on the network per annum, and these are coordinated, inspected, and enforced, by the Street Works team to reduce the impact on the travelling public.

3.2 The BHCC Permit Scheme is required, under Department for Transport (DfT) guidance, to be cost neutral to the Authority. This Permit Scheme generates approximately £800,000 per annum. It is becoming increasingly difficult to maintain a neutral cost scheme as fees are capped by DfT.

3.3 The Lane Rental scheme builds on this Permit Scheme and allows the Highway Authority to impose specific day rate charges up to £2,500 on those requesting to work on the network on our busiest roads at the busiest times.

3.4 Developing Lane Rental is the next stage in the evolution of the Network Management by imposing additional charges designed to promote a range of behavioral changes that will reduce the impact of road works on the network.

3.5 Lane Rental is being actively encouraged by the DfT as trials in Kent and Transport for London have been shown to deliver positive benefits in terms of reduced disruption from the financially incentivised behavioral change.

3.6 In accordance with DfT guidance Lane Rental will only apply to the busiest 10% of the network. The 10 % will be selected from the list of traffic sensitive streets, which must be consulted upon prior to application.

3.7 Unlike the Permit Scheme, the DfT accept that Lane Rental will generate a financial surplus to the Authority which should be invested into mitigation measures, highway improvements and associated society benefits.

3.8 Notably, as of 5th January 2026 50% of income generated from Lane Rental will be ringfenced towards highway maintenance. The remaining 50% will be allocated by a Surplus Fund Board. The requirements for allocating the Funds will be set out in the Lane Rental Scheme document and must be allocated to fund projects that 'reduce the disruption and other adverse effects caused by street work'.

3.9 The development of the scheme requires an updated Traffic Sensitive Streets refresh and this must be consulted upon before developing the Lane Rental scheme, work has started on this. Once the Traffic Sensitive Streets have been agreed there will be a further consultation on our proposed Lane Rental Scheme prior to application to the Secretary of State.

3.10 The operation of a Lane Rental Scheme is subject to successful application to the Secretary of State for Transport. To make a successful application the council must demonstrate the operation of an existing Permit Scheme and the full

compliance with the regulations can be demonstrated. This includes setting out fee reductions for joint works, incentives to work outside peak hours and caps for major works. Full guidance can be seen in the background documents link below.

- 3.11 Upon implementation of the Lane Rental scheme, promoters must be notified 12 weeks ahead of the planned implementation date and there will be a trial period before going live. The scheme will be reviewed annually in line with guidance and reviewed for effectiveness
- 3.12 The development of the lane rental process takes approximately 14 months with the application window to the Secretary of State in October 2026 and therefore an expected 'go live' date of April 2027. Wherever possible, officers will work to accelerate these timeframes.

4. Analysis and consideration of alternative options

- 4.1 The alternative option is to not pursue Lane Rental and continue with just the Permit Scheme as the works co-ordination and management process.
- 4.2 As the Permit Scheme is required to be cost neutral process and fees are capped there is no real financial incentive for those needing the permits to work differently. Additionally, there is no incentive to reduce length of occupation on the highway as fees are not aligned to the length of occupation of the highway.
- 4.3 However, it should be noted that as of 5th January 2026 changes to the Street Works Legislation from 5th January 2026, works that overrun their allocated permit dates into the weekends and public holidays can now be charged, whereas previously this was not allowed. The Fixed Penalty charges are also doubling for works that extend beyond their permit, works without a permit and any breaches of permit conditions. New charges are listed on the table below.

Fixed Penalty Charges

The penalty charges payable for offences committed on or after the 5th January 2026 are:

Offence	Full Charge	Discounted Charge
NRSWA sections 70, 74 or 74A	£240	£160
Regulation 19 (working without a permit)	£1000	£600
Regulation 20 (breach of permit conditions)	£240	£160

5. Community engagement and consultation

- 5.1 Introduction of a Lane Rental Scheme is subject to an industry specific stakeholder consultation process which will be undertaken as part of the development plan. This includes approaching a range of stakeholders including utility companies, public transport operators and disability representative groups.

6. Financial implications

- 6.1 Estimated operating costs are in the region of £0.36m annually to cover additional staff, enforcement, and operational costs. This also covers loss of permit revenue where Lane Rental will be applicable instead.
- 6.2 Income is expected to depend on the behavioral change within the industry, but total revenue achieved is anticipated to be in the region of £1.1m- £1.6m annually based on previously developed schemes. See background document for ESCC Lane Rental Scheme Evaluation Report.
- 6.3 The scheme now prescribes that 50% of the income, after expenses, will be automatically directed to highway maintenance. This is expected to be in the region of between £0.37m- £0.62m annually.
- 6.4 The remaining 50% will be entered into a ringfenced fund. This is to be allocated in accordance with the guidance on initiatives that support the development of the network and reducing the impact of road works on the public highway.

Name of finance officer consulted: David Wilder Date consulted (08/01/2026):

7. Legal implications

- 7.1 Section 74A of the New Roads and Street Works Act 1991 enables highway authorities, with the approval of the Secretary of State, to charge statutory undertakers a daily charge for each day during which their works occupy the highway.
- 7.2 There are detailed requirements set out in legislation that need to be observed by way of the application to the Secretary of State, including local consultation and also once approval is given.
- 7.3 Upon a lane rental scheme coming into force, the Council's permit scheme will not cease operation, but a separate permit fee cannot be raised where an activity is liable to a lane rental charge. Where an activity is not liable for a lane rental charge, the relevant permit fee will apply.

Name of lawyer consulted: Katie Kam Date consulted (12/01/2026):

8. Risk implications

- 8.1 We are aware of the DfT resource issues which is delaying the application process this might impact the speed at which this scheme can be introduced. The team will prepare documentation recognised by the DfT in previous applications and use learning from these to ensure the application is clear and concise.
- 8.2 The DfT might not support the application Or there may be objection following the consultation to key stakeholders. The team will prepare clear explanation to the industry on the purpose and value of this scheme and will address any concerns as a result of the consultation prior to DfT application.

9. Equalities implications

- 9.1 As part of our consultations, equalities groups will be consulted to ensure the needs of our vulnerable groups are considered and this scheme provides an opportunity to reduce the impacts on vulnerable road users by reducing the frequency and timescales of road works.
- 9.2 The report is aligned with the Brighton & Hove Accessibility City Strategy 2023-2028 and our City Transport Plan which is subject to a strategy Equalities Impact Assessment (EQIA)

10. Sustainability implications

- 10.1 This report focuses on schemes introduced to reduce the impact on the road network as a result of street works. Reducing the impact on the network will reduce congestion and idling therefore work towards reducing unnecessary carbon emissions. This scheme will also contribute towards an improved sustainable transport network.

11. Conclusion

- 11.1 The introduction of Lane Rental Scheme is expected to enable BHCC to better manage works on its busiest roads and drive behavior which will reduce the impact on the network. This in turn will improve the network and it is anticipated will generate an income which can also help to resource maintenance and other highway improvements.
- 11.1 The recommendations set out in section 2 will facilitate the development of the Lane Rental scheme and its application to the Secretary of State which, if successful, can then be introduced.

Supporting Documentation

1. Background documents

- 1. [Lane Rental Scheme Evaluation Report](#)
- 2. [Lane rental schemes: guidance for English highway authorities - GOV.UK](#)

