

Report to: Leader and Lead Member for Strategic Management and Economic Development

Date of meeting: 15 September 2025

By: Director of Communities, Economy and Transport

Title: Update on Lane Rental Scheme following implementation

Purpose: To provide Leader and Lead Member with an update on the recent implementation of the Lane Rental scheme, the details of the governance for the surplus revenue, and to seek delegation to the Director of Communities, Economy and Transport to approve projects with a value of up to £500,000.

RECOMMENDATIONS: The Leader and Lead Member is recommended to:

- (1) Note the current progress of the implementation of the East Sussex Lane Rental Scheme;**
 - (2) Note how the surplus Lane Rental funds will be allocated;**
 - (3) Agree the delegation to the Director of Communities, Economy and Transport to approve projects with a value of up to £500,000 be included in the Council's Scheme of Delegation to Officers; and**
 - (4) Recommend to the County Council that the Constitution is updated accordingly.**
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1 Background Information

1.1 The County Council's Lane Rental Scheme (LRS) commenced on 1 April 2025. Approximately 5.9% of East Sussex roads (mainly A and B class roads) are designated as lane rental roads, where charges up to a maximum of £2,500 per day apply for anyone wishing to work on these roads during traffic-sensitive times. There are no charge caps, but daily charge discounts and waivers can be applied under certain conditions, e.g. working outside peak times or for the first 48 hours of emergency works.

1.2 The LRS applies to all works carried out on these roads, including the Council's own highway maintenance work. Transitional arrangements mean that pre-planned works for a period of up to 2 years up to 1 April 2027 will not accrue charges.

1.3 The main aims of the scheme are to minimise disruption on the roads in East Sussex by reducing the duration of roadworks, encouraging companies to work at less busy times and to work collaboratively with others to minimise the impact on the network. Where charges are unavoidable, the revenue is used to initially cover set up and operating costs of the lane rental scheme, and after this a surplus will be created.

1.4 To date, the volume and application of lane rental fees has been as forecast in the modelling for the scheme. Approximately 10% of works on lane rental roads are being charged, with the

remaining receiving a waiver or discount due to the works being undertaken outside of lane rental applicable times or in a different way that reduces disruption.

2 Supporting Information

Department for Transport Surplus Spend Guidance

2.1 As part of a Lane Rental Scheme application, authorities need to summarise the arrangements for determining how surplus funds will be applied. Authorities are also expected to establish joint working arrangements under which both the highway authority and works promoters are actively consulted on how surplus funds are applied.

2.2 The Department for Transport (DfT) have recently confirmed that 50% of the net surplus must be allocated to highway maintenance and the other 50% to purposes intended to reduce disruption and other adverse effects caused by street works assigned through an application process. The 50% for maintenance will need to be assigned using the application process initially and then will become automatic once the Statutory Instrument is in place (expected early 2026).

2.3 The DfT have recently reviewed where the surplus funds can be spent and have removed 'Transportation Initiatives, Enabling infrastructure and Research and development' from the list that the East Sussex LRS was originally approved for. The following is the new list of suitable areas for surplus spend detailed in the latest DfT guidance:

- Investment in innovation and developing new products or disruption-saving techniques.
- Trials of new techniques and products.
- 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 about 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.

Lane Rental Surplus Group

2.4 Following implementation of the scheme, work has been undertaken to set up the "Lane Rental Surplus Group" that will promote the surplus fund, support and assess applications and make recommendations to the relevant decision maker as to where the surplus funds should be spent. The Group will be responsible for ensuring consideration of all applications made to the surplus fund. The group will be made up of representatives from the utility companies, Balfour Beatty Living Places (BBLP) Network Management Team, and East Sussex County Council (ESCC) officer representatives from the Highways Maintenance, Transport and Economic Development team. The Group will have an independent chair.

2.5 Documentation to support the application process has been drafted by the current chair of the Surplus Group. To support consistent cross-border application processes these documents are similar to those used in the West Sussex County Council.

2.6 To allow a more efficient application of surplus funds, it is proposed that the Scheme of Delegation to Officers is updated to include a delegation to the Director of Communities, Economy and Transport to approve any schemes and/or projects with a value of up to £500,000. Approval of projects at £500,000 and above will be considered by the Lead Member for Transport and Environment.

Historic Costs

2.7 The scheme allows for set-up costs to be recovered by the revenue generated from lane rental fees. Historic costs to cover BBLP and ESCC Officer time, resources and consultant costs have been calculated at £317,470, as per table 1 below. This includes project management and commercial, finance and admin support, from 2023 onwards.

Table 1

Set up costs	Total £
ESCC Highways Officer time	34,028
ESCC Finance Officer time	4,108
Consultant Costs	125,450
BBLP costs (including additional staff and resources)	153,884
Total	317,470

3 Conclusion and reasons for recommendations

3.1 Work to implement and progress the Lane Rental Scheme has been successful and is operating as envisaged and therefore the Leader and Lead Member is recommended to note the current progress of the East Sussex Lane Rental Scheme.

3.2 Since the Cabinet agreed that a Lane Rental scheme be developed, the arrangements for the spend of the surplus funds have been updated in accordance with Government expectations, with 50% of surplus being applied to highway maintenance. The Leader and Lead Member is therefore recommended to note how the surplus Lane Rental funds will be allocated.

3.3 Delegation to the Director of Communities, Economy and Transport to approve any schemes and/or projects with a value of up to £500,000 will allow a more efficient application of surplus funds therefore the Leader and Lead Member is recommended to agree the delegation to the Director of Communities, Economy and Transport to approve projects up to £500,000 in value be included in the Council's Scheme of Delegation to Officers; and recommend to the County Council that the Constitution is updated accordingly.

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

Details of the Lane Rental Scheme, including designated lane rental streets and charges policy can be found on the East Sussex Highways website: [East Sussex lane rental scheme | live.eastsussexhighways.com](https://live.eastsussexhighways.com)