



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 17TH JULY 2012

SUBJECT: REVIEW OF HIGHWAY AGREEMENTS FEES AND CHARGES

REPORT BY: CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To seek Members comments on the review of fees and charges to Developers in connection with highway agreements and the proposed changes.

2. SUMMARY

- 2.1 The report details areas for which charges could be raised with Developers for highway agreements and Solicitors for non standard/additional questions raised in connection with highway searches and recommends levels of charges, which would be reviewed annually.

3. LINKS TO STRATEGY

- 3.1 The Council as Highway Authority enters into Highway Agreements with Developers to adopt newly built roads that are constructed to its satisfaction for future maintenance at public expense.
- 3.2 Engineering Services Division objective: to represent and safeguard highway users' interests against activities and development detrimental to users.

4. THE REPORT

- 4.1 The Council in its role as Highway Authority has a statutory responsibility for the management and maintenance of the highway network that includes a need to keep the network safe for its users. It necessarily follows that it has to both carefully vet all developers proposals to build new roads and associated highway structures that will be adopted following completion and it must also carefully inspect the construction activities of developers to ensure that the new highway infrastructure is built in accordance with the vetted details.
- 4.2 The requirements detailed below are specific to the needs of Caerphilly County Borough Council and the way the service is delivered. Whilst there are some areas of similarity with other local authorities, there is significant variability on how each local authority develops and applies its fees and charging regime. Therefore direct comparisons are not appropriate.
- 4.3 A flat rate percentage fee of 8% of the estimated value of the highway works is currently made by Highway Development Control staff to cover the costs incurred in undertaking the above work, but an advance payment of £1,000 is required at the time of receipt of a request for vetting in order to cover the fact that not all proposals proceed to construction. This £1,000 is then offset against the 8% fee when the Highway Agreement is entered into, but is otherwise

non refundable.

- 4.4 Developers cannot be forced to enter into a Highway Agreement but are still entitled to expect that any new highway infrastructure built by them without the benefit of a Highway Agreement will be adopted following completion. In these circumstances a fee of 10% of the estimated cost of the works is currently charged, against which the initial charge of £1,000 is again set-off when payment of the 10% fee is made.
- 4.5 The quality and professionalism of Developers varies considerably and the details submitted for vetting by their Agents sometimes have to be re-submitted several times before a state of acceptance is reached. A further charge of £250 is currently levied against each subsequent vetting, but on a non-refundable basis.
- 4.6 No change is proposed to these current arrangements, other than to recommend a minimum fee level of £2,500, but further matters have been identified for which it is proposed charges shall be raised. These are listed, together with proposed charges for each, in the accompanying Appendix 1. Notes on each of these charges to explain why they are necessary now follow.
- 4.7 A license fee of £500 for the Developer's initial access to their site is proposed because almost invariably the Developer arrives without warning and creates a temporary access by cutting through whatever boundary exists at the site. Such actions are very often hazardous to road users and require highway staff to take action to ensure that mud from the site is not transferred out onto the road and that visibility requirements are met.
- 4.8 The charge of £50 proposed for the re-inspection of work previously found defective is self-explanatory.
- 4.9 Newly built Developer's highway infrastructure can only be adopted if it is defect free and consequently requires a careful examination prior to adoption. Any defects found during such inspection are added to a snagging list that is then presented to the Developer for action. The Developer is obliged to rectify all the listed defects at its own expense, but getting this work done by the Developer is often a lengthy exercise, during which time further defects may appear. In these circumstances further inspections and snagging lists will be necessary and it is proposed that a charge of £500 should be made to cover these activities.
- 4.10 A time scale for completion is always included in every Highway Agreement that the Developer has agreed to. Notwithstanding this and because the sale of residential developments is market led, the agreed timescale is often exceeded. In such circumstances additional inspection work has to be undertaken and again it is proposed that a charge of £250 should be made for each instance for this work that was not anticipated when the Agreement was entered into.
- 4.11 When there is no Highway Agreement with the Developer, a legally prescribed procedure has to be followed in order to secure the adoption of a newly built road, which requires the posting of Notices on site to indicate the Council's intention to adopt and to advise parties how to object to the proposal should they wish. These Notices have to be displayed on site for a period of a month and have to be inspected on a daily basis to ensure they have not been removed and if necessary to replace them. Again it is proposed a charge of £1000 is made for this work.
- 4.12 The charge for additional highway search questions has stood at £15 per question since 1996. It is proposed this charge be now raised to £25.
- 4.13 It is proposed all fees and charges listed in the accompanying schedule will be reviewed / revised annually, as considered appropriate, by officers.

5. EQUALITIES IMPLICATIONS

- 5.1 An **Eqla screening** has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full Eqla has not been carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 The level of income generated by these charges will clearly depend upon the degree of private development work being undertaken at any time. Consequently it is not possible to accurately predict the value of these charges to the Council.

7. PERSONNEL IMPLICATIONS

- 7.1 None.

8. CONSULTATIONS

- 8.1 As listed below.

9. RECOMMENDATIONS

- 9.1 The views and support of the Scrutiny Committee are sought for the following recommendations:
- 9.1.1 That the existing and new items listed in the accompanying Appendix 1 become the subject of a charge at the levels of cost stated in the Appendix, in line with inflationary rises as agreed in the Budget and MTFP at Council.
- 9.1.2 That all of these charge levels be reviewed and revised annually, as considered appropriate, by officers.
- 9.1.3 That Members endorse the recommendations within the report prior to consideration by Cabinet.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To recoup Council expenditure on development related highway activities.

11. STATUTORY POWER

- 11.1 S.111 Local Government Act 1982
- 11.2 Local Authorities (Transport Charges) Regulations 1998

Author: Clive Campbell, Transportation Engineering Manager
Consultees: Councillor T.J. Williams, Cabinet Member for Highways, Transportation and Engineering
Councillor D.T. Davies, Chair of Regeneration and Environment Scrutiny Committee
Councillor E.M. Aldworth, Vice Chair of Regeneration and Environment Scrutiny

Committee
Anthony O'Sullivan, Chief Executive
Terry Shaw, Head of Engineering Services
Nicole Scammell, Head of Corporate Finance
Mike Eedy, Finance Manager, Environment Directorate
Pat Mears, Head of Planning and Regeneration

Background Papers:

Previous report to Regeneration Scrutiny Committee and Cabinet on New Roads in Caerphilly – Highway Design Guide and Specification (Scrutiny Minutes item no. 7 of 4th April 2012 and Cabinet Minute No. 759 of 17th April 2012 refers)

Appendices:

Appendix 1 Schedule of Fees and Charges