

Cabinet Meeting Resolution

**Executive
Forward Plan
Reference**

E2437

Highway Adoption Charges

Date of Meeting	13-Feb-13
The Issue	<i>Proposal to increase and alter supervision fees for Section 38, 106 and 278 works in line with the charges of other authorities. Also charges for technical approvals, separate charges for highway structures and altering the Bond calculator.</i>
The decision	<p>(1) To INCREASE Supervision charges on S38, S106 and S278 works to include both technical approval and on-site supervision as set out in the report;</p> <p>(2) To INCREASE the charges to cover staff time, in line with the income and costs of the previous five years and estimated income from the proposed increase as shown in the report;</p> <p>(3) To IMPOSE At-cost charges for Structures officers, to include for technical approval and supervision of each highways structure element, such as culverts, retaining walls and bridges; and</p> <p>(4) To AGREE that the basis for the fee changes be subject to a further review in 2013/14.</p>
Rationale for decision	<p>Increasing supervision charges on S38, S106 and S278 works will recover more of the cost of officer time from the developer. Existing charges have resulted in an annual average net loss of £94K per annum over the past five years which equates to £470K over that five year period.</p> <p>Supervision charges are significantly less than neighbouring and UK wide authorities and have been fixed since the formation of the Council in 1996. Since that time costs have increased as developments have become more complex because of changes in central government policy advice and more variation on surface treatment and materials.</p> <p>The proposed increase options therefore seek to address the imbalance between income and staff costs.</p>
Other options considered	<p>No change to existing 6% flat rate for supervision only fees: An average net loss of £94K per annum may continue. The finance for this deficit would need to be found from other parts of the Service or from other parts of the Authority.</p> <p>Charging separately for Technical Approval: This is a potential option which would include revenue from development proposals that do not reach the physical development stage. It would be more complex to administer as requires separate agreements and payments from the Developer.</p> <p>Charging a higher fixed fee percentage: The increase is designed to address the imbalance between staff costs and income from this work and the costs to break even of 8.7%. This would be slightly higher than surrounding authorities: Somerset charge 7.5% and Bristol charge 8%. Experience shows that smaller</p>

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developments have a greater proportional cost in terms of supervision and technical approval time so should have a corresponding increase in fees relative to larger developments.

Charging the same as North Somerset:

Of the surrounding authorities, North Somerset was seen to be the nearest to Bath & North East Somerset in urban / rural makeup. It was considered that this is a less preferred option as the Authority would still be subsidising this work:

(1) 10% for highway works up to and including £130K (minimum fee of £3.3K);

(2) 9% for highway works up to and including £325K (minimum fee of £13K);

(3) 6% for highway works up to and including £650K (minimum fee of £29,250);

(4) and 4% for highway works costing more than £650K (minimum fee of £39K)

The stepped fee percentage based on North Somerset's financial model, but with alterations to enable all costs to be met by developers, will be clear to developers, and is in line with neighbouring authorities as well as relatively easy to administer.

Declarations of Interest

None

The Decision is subject to Call-In within 5 working days of publication of the decision