

Appendix 1: Highway Adoption Charges: Section 38, 106 and 278 Agreements

Service	Current Charges	Current Income (Average of 2007/11)	Proposed Charges ¹	Increase in Income	Comments
Pre-application advice	None	£0	None	£0	Pre-application advice is a statutory obligation through Highway Development Control Team and legal advice is that this cannot be charged for.
Site supervision of highway works	6% of total cost of highway works	£149,600	Rate based on Cost of Works (see comments)	£73K per annum (average)	Rates: 10% for highway works up to and including £130K (min fee of £2.85K); 9% for works up to £325K (min fee of £13K) ; 8% for works up to £650K (min fee of £29,250); and 7% for works more than £650K (min fee of £52,000)
Technical Approval of developer's highway works					
Technical approval of each structure (bridge, culvert, etc.) included within highway proposal	None ²	£11,100	At Cost	£22K per annum (average)	Several authorities charge "at-cost" rates for structures officer's time for technical approval and inspection work.

¹ Charges are VAT exempt; payment of fees will be staged as £1,100 on application and the greater of 1% or £1,100 on submission of drawings. Balance will be payable prior to commencement of works.

² no current charge for technical approval unless specific agreement in place – e.g. Southgate and Western Riverside

Appendix 2

Table A2.1: Cost Comparison: Staff Costs v Developer Income from 2008 onwards

	Financial Year					Average
	2008/9	2009/10	2010/11	2011/12	2012/13 ³	
Staff Costs (including uplift) for S38/S106 Supervision	160,400	255,800	134,400	131,500	138,300	164,100
Staff Costs (including uplift) for S38/S106 Technical Approval	76,800	37,200	45,600	38,900	19,400	43,600
Structures Staff Costs (including uplift) for S38/S106 Supervision and Technical Approval	7,700	17,300	31,700	34,500	17,200	21,700
Internal Recharges from Legal	31,900	21,400	28,600	20,400	24,900	25,400
Supervision Income from Developer (6% of cost of highway works)	80,900	150,300	82,900	237,000	196,900	149,600
Technical Approval Income from (Southgate, Western Riverside, Skinners Hill Camerton)	18,100	35,300	400	0	1,900	11,100
Income deficit (+ve = credit)	-177,800	-146,100	-157,000	11,700	-1,000	-94,100

³ Whole year finances estimated from 9 months of information

Table A2.2: Proposed Fee Band with Minimum Fee

	Internal Staff ⁴ and Legal Costs	Cost of Works	Related %age Fee	Minimum Fee	Estimated Supervision Fee Income	Income deficit (+ve = credit)	Increase in income	Increase in income with Structures ⁵
Break Even Fee Structure	233,100	130,000	10.0%	2,850	23,500	400	72,800	94,500
		325,000	9.0%	13,000				
		650,000	8.0%	29,250				
		>650,000	7.0%	52,000				

Table A2.3: Alternative Flat Supervision Fee Percentage(excluding costs of Structures)

	6.0%	8.0%	8.7%	10.0%	12.0%
Average Staff Costs (excluding Structures)	207,700	207,700	207,700	207,700	207,700
Internal Recharges from Legal	25,400	25,400	25,400	25,400	25,400
Estimated Supervision Fee Income	160,700	214,300	233,100	267,800	321,400
Income deficit (+ve = credit)	-72,400	-18,800	0	34,700	88,300
Increase in income	0	53,600	72,400	107,100	160,700

⁴ excluding Structures Staff costs

⁵ Based on average annual structures staff costs of £21.7K

Table A2.4: Alternative Fee Band with Minimum Fee

	Internal Staff ⁶ and Legal Costs	Cost of Works	Related %age Fee	Minimum Fee	Estimated Supervision Fee Income	Income deficit (+ve = credit)	Increase in income	Increase in income with Structures ⁷
Using North Somerset's Fee Structure	233,100	130,000	10.0%	3,300	208,600	-24,500	47,900	69,600
		325,000	9.0%	13,000				
		650,000	6.0%	29,250				
		>650,000	4.0%	39,000				

⁶ excluding Structures Staff costs

⁷ Based on average annual structures staff costs of £21.7K

Appendix 3: Comparative Charges for Highway Adoption (Section 38, 106 and 278 Agreements)

Authority:	S38/S106/S278 Technical Approval	S38/S106/S278 Supervision
Bath & North East Somerset	None	6%
Bristol	within supervision cost	8%
South Gloucestershire	within supervision cost	10% if <£100K; 7% if <£200K
North Somerset	within supervision cost	10% (min £3.3k) to 4% ⁸
Wiltshire	At cost	10% (min £3K) to 4% ⁹
Somerset	not specified	7.5%

⁸ Graduated from 10% supervision for development works less than £130K through to 4% for development works greater than £650K

⁹ Graduated from 10% supervision for development works less than £30K 9% <£250K through to 4% for development works greater than £2M