

**TITLE OF REPORT:** Highway Development Fees & Charges

**REPORT OF:** Colin Huntington, Acting Strategic Director, Communities and Environment

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### **Purpose of the Report**

1. This report seeks approval for revised and new scale of fees and charges for highway functions associated with new development.

### **Background**

2. In recent years the work associated with the preparation of highway adoption agreements has increased significantly (including consultation with development management, network management, Land Registry, Northumbrian Water, lead local flood authority). The current scale of fees does not reflect the increased officer workload.
3. Similarly, the workload associated with the preparation of the street naming and numbering function has increased significantly in recent years. Charges are not currently levied for street naming and numbering.

### **Proposal**

4. To revise the highway adoption agreement developer's fees as outlined in Appendix 2.
5. To introduce administration charges for street naming and numbering applications as outlined in Appendix 3.

### **Recommendations**

6. Cabinet is asked to recommend Council to approve the revised highway adoption agreement developer's fees and the new street naming and numbering charges as set out in appendices 2 and 3.

For the following reasons:

- (i) the revised fees better reflect the staff costs associated with the management of highway adoption agreements;
- (ii) the new charges reflect the costs associated with the management of the street naming and numbering function.

### Policy Context

1. The proposals support Making Gateshead a Place Where Everyone Thrives. The proposals also support the local development framework and the Tyne & Wear Local Transport Plan (LTP).

### Background

2. In recent years the work associated with the preparation of highway adoption agreements has increased significantly (including consultation with development management, network management, Land Registry, Northumbrian Water, lead local flood authority). The current scale of fees does not reflect the increased officer workload.
3. Similarly, the workload associated with the preparation of the street naming and numbering function has increased significantly in recent years. Charges are not currently levied for street naming and numbering. The proposed charges reflect the typical officer costs incurred in the administration of the function. The proposed charges are for discretionary services and no charge is proposed for statutory functions.

### Consultation

4. In preparing this report the Cabinet Members for Environment and Transport have been consulted.

### Alternative Options

5. None.

### Implications of Recommended Option

#### 6. Resources

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the proposals within the report are expected to generate new and additional income.
  - b) **Human Resources Implications** – Nil.
  - c) **Property Implications** – Nil.
7. **Risk Management Implications** – Nil.
  8. **Equality & Diversity Implications** – Nil.
  9. **Crime & Disorder Implications** – Nil.
  10. **Health Implications** – Nil.

11. **Sustainability Implications** – Nil.
12. **Human Rights Implications** – Nil.
13. **Area & Ward Implications** – Nil.
14. **Background Information** – None.

**Highway Adoption Agreement Developer's Fees**

New housing and commercial developments usually require alterations to the adjacent adopted highway and in many cases the construction of new adopted highway. To carry out the highway works the developer must enter into an agreement with the highway authority under sections 278 and 38 of the Highways Act 1980 to alter or construct adopted highway.

Local highway authorities charge fees for the management of the agreements and for the inspection of the highway works during construction.

**Current Fees**

There are three fees charged for Gateshead Council highway adoption agreements:

- solicitor's fee for the preparation of the agreement – £1,932;
- highway authority design checking fee – £500 to £5,000 based on estimated construction cost of the works;
- highway authority inspection fees – 8% of the estimated construction cost of the works.

The fees have been in place for seven years.

**Proposed Fees**

In recent years the preliminary work associated with the preparation of the agreements has increased significantly (including consultation with development management, network management, Land Registry, Northumbrian Water, lead local flood authority). The preliminary work is similar for small developments or large developments.

Under the current structure of fees, smaller schemes generate small fees and the fees may fail to cover the costs of the staff time for agreement preparation and site inspection of works.

To better reflect the staff costs associated with the management of section 38 / 278 agreements the inspection fee will be increased to £1,000 plus 9% and the lowest design checking fee will be raised to £1,000. The revised fees are listed below.

**Design Checking Fee**

Estimated Construction / Works Cost (£)	Charge (£)
Below 25,000	1,000
25,000 to 75,000	1,500
75,001 to 250,000	3,000
Above 250,000	5,000

**Inspection Fee**

£1,000 plus 9% of the estimated construction / works cost.

**Street Naming & Numbering Charges**

Gateshead Council is the street naming and numbering (SNN) authority for its administrative area. It has a statutory duty to perform the function and carries out the function under the provisions of the Public Health Act 1925 sections 17 to 19.

The Council manages the SNN process in order that all properties within the borough are officially addressed. Maintaining consistent standards for SNN is important to ensure that residents and businesses have a verifiable address for mail delivery and emergency services. The SNN function is delegated to the Service Director, Development, Transport & Public Protection.

Typically, Gateshead Council receives fifty to seventy requests each year from home owners, businesses and developers for SNN.

In recent years the workload associated with the SNN function has increased significantly. This includes:

- naming and numbering of new properties (including conversions);
- alterations in either name or numbers to new developments after initial naming and numbering has taken place;
- notifications to interested outside organisations;
- changes to existing official names, numbers or addresses held within the street naming and numbering records;
- consultation and liaison with other external organisations such as Royal Mail and emergency services (a non-statutory element of naming of streets);
- maintenance of computer systems and software required for the function.

**Current Fees & Charges**

Charges are not currently levied for SNN requests.

**Proposed Administration Fees & Charges**

Under the provision of section 93 of the Local Government Act 2003, Gateshead Council has powers to make an administrative charge for the non-statutory provision of the SNN service: income from charges must not exceed the cost of providing the service.

The charges are listed in the table below.

<b>No.</b>	<b>Item</b>	<b>Administrative Charge</b>
1	Assignment of name to a new street.	£200
2	Postal numbering for a new development on a new or existing street.	£200 for first plot plus £5 per additional plot
3	Alteration at the request of the developer / applicant in either street name or property numbers to new development after initial SNN has been undertaken.	£200 plus charges (2) and / or (1) where relevant to the addition of extra plots
4	Renaming or the assignment of a name to an existing street at developer's / occupier's request.	£200 plus £20 per property
5	Changing the assigned postal numbering / street of an existing single property at the developer's / occupier's request, which does not involve the creation or renaming of a street.	£100
6	Subdividing/merging of an existing property to create new postal addresses. Allocating/altering a house name to an existing address.	£50 per unit
7	Confirmation of postal addresses to property occupiers / owners / solicitors / conveyancers and other third parties.	£50 per address

These charges are not subject to VAT.

**S278/38 Additional Income**

Works Value £k	Average Value £k	Number	Fee	
			£1k	%
Upto 25	20	4	4000	800
25-75	75	3	3000	2200
75-250	150	2	2000	3000
250-500	300	1	1000	3000
Above 500	500	1	1000	5000
			11000	14000

**Street Naming & Numbering Additional Income**

Service	Number	Fee		
		Name	Houses	Total
Rename house	30	100	0	3000
New small development	6	200	10x5	1500
New large development	3	200	100x5	2100
Renumber new development	1	200	50x20	1200
Split existing property	5	50	0	250
Confirm address	5	50	0	250
				8300