

COUNCIL
26 SEPTEMBER 2024

PROPOSED AMENDMENTS TO THE SCHEDULE OF CHARGES 2024/25

**Responsible Cabinet Member –
Councillor Mandy Porter, Resources Portfolio**

**Responsible Director –
Dave Winstanley, Group Director of Services**

SUMMARY REPORT

Purpose of the Report

1. To consider a proposed amendment to the Schedule of Charges 2024/25 as agreed at the meeting of Cabinet on 10 September 2024.

Summary

2. Reviews have been undertaken in relation to the fees and charges that are associated with Highway Agreement charges between the Council and developers.
3. A number of amendments are proposed to the Schedule of Charges and these are set out in **Appendix 1**. The rationale and reasons for the proposed changes are outlined in the main report. The increases proposed are based on the cost of providing the services and take account of inflation and market conditions and are anticipated to support the provision of the services.

Recommendation

4. It is recommended that Council agrees the changes to the Schedule of Charges as set out in Appendix 1 of this report.

Reason

5. The recommendation supports the financial costs of providing the services.

Dave Winstanley
Group Director of Services

Background Papers

No background papers were used in the preparation of this report

Dave Winstanley: Extension 6618

Council Plan	Highway Agreements with developers contribute to the Local Environment priority of ensuring development provides a well-connected, clean and sustainable Borough.
Addressing inequalities	There are no implications.
Tackling Climate Change	There are no implications.
Efficient and effective use of resources	The reviews undertaken seek to consider best value principles and the Council Plan principle of efficient and effective use of monies by ensuring the financial cost of providing the services are supported by the appropriate level of charges.
Health and Wellbeing	There are no implications.
S17 Crime and Disorder	There are no implications.
Wards Affected	All Wards.
Groups Affected	Developers undertaking developments and projects within the Borough.
Budget and Policy Framework	This report proposes changes to the Schedule of Charges approved within the Medium-Term Financial Plan.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers.

MAIN REPORT

Information and Analysis

Highway Agreement Charges

6. When new houses are built the developer will enter into agreements with the Council either to amend the existing highway arrangements (by a Section 278 Agreement) or enter into an agreement that the Council adopt highways once they are built to an agreed standard and arrangement (a Section 38 agreement).
7. The Council presently charges a fee of 6% of the estimated cost of the work to review and inspect Section 38 and Section 278 agreements with developers.
8. The increase in house building across the Borough has resulted in more schemes being put forward for review, inspection and ultimate adoption by the Council, with some that are larger and more complex than normal.
9. The roles involved in reviewing designs and inspecting the works are difficult to recruit and agency support and specialist advice on some of the more complex schemes has been required, which has increased the costs of this service.

10. The 6% rate has not changed for numerous years and in that time staff salary costs have also increased, more significantly in recent years with inflation. Staff and specialist advice cost increases for our work necessitated the need to review the costs and charges for these services.
11. A review has been undertaken of the market rates across a number of local authorities and some have already increased rates to address the change in market conditions, and some are reviewing the current charges. Darlington is presently at the lower end of the charging range when compared across the region as outlined in the table below. This report seeks to increase the charge from 6% to 8% for both Section 278 agreements and Section 38 Agreements to reflect market conditions and support the costs of providing the services.

	Section 278 Agreement	Section 38 Agreement
Northumberland	10%	7.50%
Sunderland	10%	7.50%
Gateshead	9%	9%
Redcar	8%	8%
Middlesbrough	8%	8%
Stockton	8%	At cost
Durham	8%	8%
North Tyneside	7.50%	7.50%
Newcastle	7.50%	7.50%
Hartlepool	6%	6%
Darlington	6%	6%

Financial Implications

12. The proposed fees and charges of the Council are set out in Appendix 1. The increases proposed are based on the cost of providing the services and take account of inflation and market conditions. Overall, the proposed increases are anticipated to support the provision of the services.

Legal Implications

13. The Schedule of Charges requires approval by Council. The highway legal agreements will need to be amended to reflect the new charges if approved.

PROPOSED AMENDMENTS TO THE SCHEDULE OF CHARGES

APPENDIX 1

SCHEDULE OF CHARGES 2024/25				
Description	Type	Existing Charge £	New Charge £	Financial Effect £
Highways				
Section 278 Highway Works Agreement	L	6% of estimated works cost plus legal fees if delivered by developer.	8% of estimated works cost plus any relevant fees.	It is difficult to predict the financial impact given the projects and developments originate from the private sector on a sporadic basis. However, the increased percentage will support the increased costs of providing the service to developers.
Section 38 Road Adoption Agreement	L	6% of estimated works cost plus legal fees if delivered by developer	8% of estimated works cost plus any relevant fees.	