

Gateshead Council Transport Technical Appendices

Transport costs associated with development

1. Introduction

1.1 This document sets out the transport related costs developers are likely to face in implementing proposals for new development.

2. Background

2.1 Developers will be expected to meet the costs of changes to the transport network required by their proposals. These will be identified through the planning approval process and may include:

- Changes to the physical fabric of the network (for example new roads, cycleways or changes to junctions);
- Changes to the way the system is managed (for example installation of traffic signals; introduction of parking restrictions, changes to speed limits);
- Introduction of improved services (typically new or amended bus services);
- Promotional or other initiatives, usually progressed through travel plans.

2.2 These costs will usually be of one of three kinds:

- Direct costs, for example those associated with the carrying out of works, provision of services or promotional information/campaigns;
- Indirect costs, reflecting the cost to the Council of preparing documentation and carrying out the necessary checks and inspections;
- Insurance, where security is needed against default on incomplete works.

2.3 Direct costs will usually be readily calculable. They may fall directly on the developer or in some cases be paid through the Council using relevant legal agreements (for example a s106 agreement). In some cases the costs of transport provision may be pooled, for example as part of Community Infrastructure Levy (CIL) or other contributions.

2.4 The remainder of this document details the Council's approach in relation to indirect costs and insurance against default.

3. Indirect costs

3.1 Indirect costs accrue to the Council through:

- The preparation of agreements and associated administration;
- The checking of detailed designs to ensure they meet the necessary standards;
- Inspection of works to ensure they are constructed to the relevant standard;
- Other transport related costs resulting from the development.

Preparation of agreements

3.2 A charge will be made to cover legal and administrative costs associated with the preparation of legal agreements. The level of charge will be advised at the time relevant instructions are issued.

Checking and inspection

3.3 Fees to cover the costs of detailed checking of designs and inspection of works on site are set out in the Council's Fees and Charges booklet. In exceptional circumstances a lower fee may be charged subject to agreement with the Council.

Other costs

3.4 There are a range of other transport related costs which may result from development proposals and for which the Council will seek to recover its costs. Most commonly these include:

- The preparation, amendment or revocation of Traffic Regulation Orders;
- Stopping up orders. Although most stopping up in relation to development are administered by the Department for Transport, costs may arise to the Council, for example through necessary changes to Traffic Regulation Orders or recovery of highway apparatus. In any instances where s116 of the 1980 Highways Act 1980 is used to stop up highways the Council will recover reasonable costs relating to the processing of applications, and any advice given upon them;
- Approval of designs for highway structures and any associated licences;
- Undertaking scheme audits;
- The preparation and issuing of highway licences.

3.5 Costs associated with the above will be secured through s106, s38, s278 or other appropriate agreements.

3.6 It is often the case that the precise extent of impacts on the local road network from development cannot be predicted exactly at the time of approval. This may require further subsequent work, for example, to modify traffic regulation orders or review signal timings. Where any such areas of uncertainty are identified further funding will be secured against the need to take further action. The amount of any such funding will be determined on a case by case basis, held for an agreed time period, and returned to the developer if not required by the end of this period.

3.7 In many cases the Council may be able to offer a service for the design of highway infrastructure associated with development. Where this option is pursued there would normally be some reduction in the checking/inspection fee as the need for final checking of designs should not arise. The costs of design will be discussed on a case by case basis.

4. Insurance against default

4.1 Developers will be required to deposit an appropriate bond with the Council to cover the full cost of the works to construct a road that will become maintainable at the public expense, along with any associated works to an adopted highway (if applicable), to enable the new development to take place. This is to ensure that funding is available to complete works in the case of any default.

5. Related documents

- [S38 agreements](#)
- S278 agreements
- [Planning obligations SPD](#)