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**Private Streets Inspection Fees after 1 Oct 03**

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**Purpose**

This DEM sets out the fees payable by private housing developers for inspection and testing the road construction, street lighting installations, and water and sewerage systems on their development sites to ensure they meet the standards for later adoption by Roads Service and Water Service.

**Scope**

Article 3(10) of the Private Streets (Construction) (Amendments) Regulations (NI) 2001 states *“The person by whom or on whose behalf the [development] plans were deposited shall bear any expenses incurred in carrying out inspections, investigations and tests and the taking of samples.”*

These expenses are collected by the Business Support Sections in each Division of Roads Service on behalf of the Department’s Roads and Water Services. Experience since the enactment of the Regulations has shown that the administration needed to calculate and recoup inspection and testing expenses is burdensome for both Roads Service and the developers. In September 2003, the Director of Network Services and the Chief Executive of the Construction Employers Federation jointly signed the following Memorandum of Agreement (MoA) setting out a simpler sliding scale of fees based on the bond value of each development.

These new fees are £1000 plus 2% of the bond or deposit amount, up to a fee ceiling of £5000 for each bonded length. They will be paid in advance of the commencement of construction work on site and, regardless of actual inspection and testing costs, will be not be refundable in whole or in part in any circumstances.

Both parties to the agreement will review the scale of fees after 1 year, if either side so requests.

## **Memorandum of Agreement**

**The Private Streets (NI) Order 1980**

**The Private Streets (Amendment) (NI) Order 1992**

**The Private Streets (Construction) Regulations (NI) 1994**

**The Private Streets (Construction) (Amendments) Regulations (NI) 2001**

1. The Construction Employers Federation and the Roads Service of the Department for Regional Development for Northern Ireland agree that the following arrangements are reasonable in relation to the Private Streets inspection fees payable under Article 3(10) of the Private Streets (Construction) (Amendments) Regulations (NI) 2001. Roads Service intends that the fee will apply uniformly to all private streets being developed in Northern Ireland.
2. For each bonded length, the fee shall be £1000 plus 2% of the bond (or deposit) amount, up to a maximum fee for any one bonded length of £5000 (so that there is no increase in fee payable for bond amounts greater than £200,000).
3. The fee covers inspections by Roads Service for private streets layout, construction and street lighting and the inspections costs of Water Service in relation to the bonded area. The fee also includes material testing costs and normal administration costs. The fee does not cover street lighting or other design services.
4. The fee shall be payable in advance at the time the bond documents are deposited.
5. The fee is non refundable. There shall be no refund if the actual inspection costs are less than the scale fee and no additional charge if the actual inspection costs are more than the scale fee.
6. This Memorandum of Agreement may be reviewed or cancelled by either party giving 4 weeks' notice to the other party.

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**David Orr**  
**Director of Network Services**  
**Roads Service**

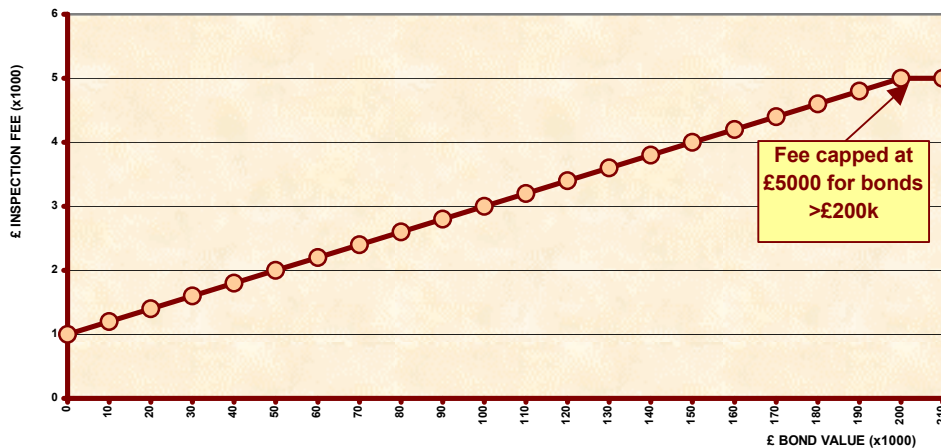
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**Tony Doran**  
**Chief Executive**  
**Construction Employers' Federation**

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**Date**

MEMORANDUM OF AGREEMENT BETWEEN ROADS SERVICE AND CEF  
PRIVATE STREETS INSPECTION CHARGES  
from 1 October 2003



## **Implementation**

The policy set out in this memorandum shall take effect from 1 October 2003.

## **Procedure**

### **1. Procedure for New Developments where Bond/Deposit Received after 1 October 2003**

A standard notice (see Appendix A) that explains the new Inspection Fees should be issued to Developers along with the relevant Private Streets Forms.

Private Streets Inspection Fees should be calculated by the Development Control Sections and be collected from the Developer and received by the Finance Units in each Division.

#### 1.1. Calculation of Income Due

The income due shall, as stated in the Memorandum of Agreement, be calculated as £1000 plus 2% of the bond value up to a maximum income due of £5000 for each bonded length.

In the case of small single property developments where the bond is £5000 or less and the proposal involves only provision of a footway, parking bay or passing bay rather than a new adoptable road, the PPTO Network Planning Manager shall have discretion to charge instead a fee of 20% of the bond with a minimum fee of £200.

#### 1.2. Lodgement of Income Received

The Developer shall pay the Private Streets inspection fees at the time of lodgement of the Bond. All fees collected must be handled in accordance with existing Bank Lodgement procedures.

### 1.3. Recording of Income Received

All Private Streets inspection fees collected should be recorded in the financial management information system (Oracle 11i) in accordance with existing Receipt Processing procedures using one of the following codes:

<b>East</b>	<b>201/709/2125/00000</b>
<b>North</b>	<b>301/709/2125/00000</b>
<b>South</b>	<b>401/709/2125/00000</b>
<b>West</b>	<b>601/709/2125/00000</b>

### 1.4. Monitoring of Income Due / Collected

For audit purposes, details of income due and income collected should be recorded (by Bond) by the Finance Sections and be made available for financial control reconciliation as required. Financial Accounting Section will provide a pro-forma spreadsheet for this purpose See Appendix B.

## **2. Procedure for Existing Developments Underway before 1 October 2003**

Some developments already underway before 1 October 2003 will have been charged at a previous scale of 5% of bonded value with the intention of refunding at time of adoption any amount over the actual cost of inspection and testing. In some cases the fee collected will have exceeded the figure that would now be calculated by the new scale of fees and in others it will have been less.

### **2.1. Developments Underway where New Scale of Fees produces a Lower Figure than that Already Lodged**

In this case the Department will refund the difference to the Developer. Interest will not be paid on the refund amount. There will be no further refund on adoption of the development, regardless of actual inspection and testing costs.

#### 2.1.1. Advise the Developer.

The Development Control Section of the Division should calculate the refund and advise the Developer of the new arrangements that change his money from a deposit to a charge and of the amount of refund he will receive. Interest must not be included in the calculation.

#### 2.1.2. Refunding.

The identified refund due should be processed in accordance with existing Refund procedures using code **relevant cost centre/922/1696/relevant job no.** i.e. the code where original deposit amount was recorded.

#### 2.1.3. Updating Finance Records for Change in Status of Money Paid.

The financial management information system (Oracle 11i) records must be updated to reflect the actual income collected since it is currently reflected as a deposit that Roads Service may be liable to refund fully or partially. The financial records must be updated using a General Ledger Journal with the following coding:

<b>Finance System Code</b>	<b>Debit</b>	<b>Credit</b>
Relevant Cost Centre/922/1696/Relevant Job No (Finance system code where original deposit amount recorded)	Income due in accordance with new scale	
Relevant Cost Centre/709/2125/00000 (Element of original deposit amount becomes income collected in respect of bond, calculated as £1000+2% of bond value up to a ceiling of £5000)		Income due in accordance with new scale

Note: the relevant cost centre will be one of the following:

<b>East</b>	<b>201</b>
<b>North</b>	<b>301</b>
<b>South</b>	<b>401</b>
<b>West</b>	<b>601</b>

#### 2.1.4. Monitoring of Refunds Processed, and Calculation of Income Collected to 30 September 2003.

A complete record of all transactions should be retained on pro-forma spreadsheet from Financial Accounting Section to enable a final reconciliation of all related transactions. See Appendix C.

### **2.2. Developments Underway where New Scale of Fees produces a Greater Figure than that Already Lodged**

In this case the Department will not seek payment of the increased amount from the Developer.

#### 2.2.1. Advise the Developer.

The Developer should be advised of the new arrangements that change the status of the money paid over to Roads Service from a deposit to a charge and that there will be no refund on completion of the development regardless of the actual inspection and testing costs.

#### 2.2.2. Updating Finance System Records for Change in Status of Income Collected to 30 September 2003.

Financial management information system (Oracle 11i) records must be updated to reflect the actual income collected (currently reflected as a deposit that Roads Service might be liable to fully or partially refund based on the previous 5% deposit on bond). The financial records should be updated using a General Ledger Journal with the following coding:

<b>Finance System Code</b>	<b>Debit</b>	<b>Credit</b>
Relevant cost centre/922/1696/Relevant job no. (Finance system code where original deposit amount recorded)	Original deposit amount	
Relevant Cost Centre/709/2125/00000 (Original deposit amount becomes income collected in respect of bond)		Original deposit amount

Note: the relevant cost centre will be one of the following:

<b>East</b>	<b>201</b>
<b>North</b>	<b>301</b>
<b>South</b>	<b>401</b>
<b>West</b>	<b>601</b>

### 2.2.3. Calculation of Income Collected to Date.

A complete record of all transactions should be retained on pro-forma spreadsheet from Financial Accounting Section to enable a final reconciliation of all related transactions. See Appendix C.

**DEPARTMENT FOR REGIONAL DEVELOPMENT**

**Private Streets (Northern Ireland) Order 1980  
as amended by  
The Private Streets (Amendment)(Northern Ireland) Order 1992 – Article 32  
and by  
The Private Streets (Construction)(Amendment) Regulations (Northern Ireland)  
2001**

**NOTICE TO DEVELOPERS**

**Private Streets Inspection Fees**

This Notice is to inform you of the scale of fees charged by the Department in accordance with the above legislation. The scale of fees takes effect from 1 October 2003 and has been agreed with the Construction Employers Federation.

For each bonded length, the fee shall be £1000 plus 2% of the bond (or deposit) amount, up to a maximum fee for any one bonded length of £5000. The fee includes inspection costs for private streets construction in relation to the bonded area as well as material testing costs and normal administration costs. The fee shall be payable in advance at the time the bond documents are deposited. No additional top-up fee will be required if costs are greater than the fees collected and there will be no refunds made to Developers.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_.

**Private Streets Inspection Fees  
For Developments Commencing after 1 Oct 03**

**Appx. B  
Pro Forma**

New Fees from 1 Oct 03		
New flat rate	£1,000	
+ New Variable Fee	2%	
Max Variable Fee	£4,000	
Flat Rate	2% or £4k (max)	Total Income due
calc	calc	calc
£	£	£
1,000	2,000	3,000
1,000	0	1,000
1,000	0	1,000
1,000	0	1,000
1,000	0	1,000
1,000	0	1,000

Developer	Bonded Extent Reference
input	input
Developer A	123456
Developer B	
Developer C	
Developer D	
Developer E	
Developer F	

Bond Valuation
input
£
100,000

Total income received	Date of Receipt
input	input
£	



**Private Streets Inspection Fees  
For Developments Underway before 1 October 2003**

**Appx. C  
Pro Forma**

Developer	Bonded Extent Reference	Bond Valuation	Deposit Already Received	Original Finance Code	New Flat Fee		Refund Due to Developer	Refund Processing Date	Where deposit < charge based revised scheme, fee foregone
					Flat Rate	2% or £4k (max)			
input	input	input	input	input	calc	calc	calc	input	calc
		£	£	(CC/922/1696/Job no.)	£	£	£	£	£
Developer A	123456	100,000	5,000	123/922/1696/12345	1,000	2,000	3,000	2,000	0
Developer B					1,000	0	1,000	0	1,000
Developer C					1,000	0	1,000	0	1,000
Developer D					1,000	0	1,000	0	1,000
Developer E					1,000	0	1,000	0	1,000
Developer F					1,000	0	1,000	0	1,000

**Private Streets Inspection Fees after 1 Oct 03**

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**Equality**

It should be noted that an equality screening analysis will be undertaken on this policy at a later date.

G. W. Allister  
Director of Engineering  
November 03

All enquiries or comments to:

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