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Agenda Item No.4(a)

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER – HIGHWAYS, TRANSPORT AND INFRASTRUCTURE

9 July 2020

Report of the Executive Director – Economy, Transport and Environment

SECTION 278 AGREEMENT – ELDER WAY, CHESTERFIELD

- (1) **Purpose of Report** To seek the Cabinet Member's approval to waive the requirement for a Guarantee Bond with regard to proposed works at Elder Way, Chesterfield, undertaken by Chesterfield Borough Council under Section 278 Agreement of the Highways Act 1980.
- (2) **Information and Analysis** Chesterfield Borough Council has secured funding to undertake public realm improvements at Elder Way, Chesterfield. The works include new paving and surfacing along with new traffic signal equipment and street furniture. The works are shown indicatively on drawing number PL1684-VW-115 (Appendix 1) and would carry a bond requirement of £1,317,236.45.

The Borough Council is aware that it needs the County Council's formal permission, as Highway Authority, to fund or carry out works in the public highway using an Agreement under Section 278 of the Highways Act 1980.

(3) **Financial Considerations** It is normal policy and practice for the County Council to require commercial developers to provide financial security prior to commencing work in order to indemnify the County Council against the cost of having to complete the work in the event that the developer defaults or ceases to trade.

In this instance, as the developer is a local authority, the County Council is able to waive the requirement for a Guarantee Bond as the risks of default or financial insolvency are considered negligible.

(4) **Legal Considerations** Section 278 of the Highways Act 1980 empowers the County Council to allow third parties to fund or carry out highway improvement works. In this case, the Borough Council will be obliged to enter into a Section 278 Agreement for the Elder Way highway works and to pay Derbyshire County Council's Legal and Inspection fees.

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Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, social value and transport considerations.

- (5) **Key Decision** No.
- (6) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.
- (7) **Background Papers** Held on file within Economy, Transport and Environment Department.
- (8) **OFFICER'S RECOMMENDATION** That the Cabinet Member approves to waive the requirement for a Guarantee Bond with regard to proposed works at Elder Way, Chesterfield, undertaken by Chesterfield Borough Council under a Section 278 Agreement of the Highways Act 1980.

Mike Ashworth
Executive Director - Economy, Transport and Environment

