

Presented By:  
Jamie Foster  
Managing Director



# JLES

ROAD AND SEWER  
ADOPTION SPECIALISTS



 Website  
[www.jlesgroup.com](http://www.jlesgroup.com)

 Phone  
0844 879 7131

 E-mail  
[info@jlesgroup.com](mailto:info@jlesgroup.com)

 LinkedIn  
[@JLESGroup](https://www.linkedin.com/company/jlesgroup)

 Head Office Address  
JLES House, Higher Green Lane, Astley, M29 7HQ





# PERSONAL INTRODUCTION

**Jamie Foster**

Group Managing Director of JLES Group and Vista Civil Engineering

31 years in construction industry

6 Years Local Council in North West – Section 38 and 104 Inspector

9 Years working for Major Developers in the NW – last role being Engineering Manager for a major developer based in Liverpool

16 years working for JLES who are a ‘specialist adoption works contractor’ - providing ‘Turnkey - Consult and Construct Adoption Solutions’ for developers across UK



# What am I here to talk about?

Following recent meetings, Rhodri kindly invited me to give some insights into the challenges faced by developers when dealing with road and sewer adoptions.....based on my personal experiences.



Follows on from the **HB**F recent publication of their report *Slow Lane to Adoption*. Great document which highlights the inconsistencies with the approach to road adoptions throughout England and Wales, and challenges faced by developers.

Also references the recent - *Competition and Markets Authority's (CMA) recent Housebuilding Market Study* –

*“The CMA’s report made five recommendations in this area, two of which include:*

- *That the UK, Scottish, and Welsh governments each implement common adoptable standards for public amenities on new housing estates.*
- *That the UK, Scottish, and Welsh governments each implement mandatory adoption of public amenities on new housing estates (outside of minor, well -defined exceptions).”*



# What is an Adopted Road

- *House of common briefing paper Number CBP 402 10th April 2018* - Private, or 'unadopted' roads in England and Wales offers a detailed overview
- In broad terms, these are roads that have been adopted by the Highway Authority (Council) and are now maintained and managed by that authority at the public expense. Hence become a public road or highway
- Roads in England and Wales are largely adopted via clauses in *Highways Act 1980* with *Roads for Scotland 1984* being used in Scotland
- Infrastructure and estate roads serving new build developments being the relevant subject I'm focusing on today





# How big is the problem?<sup>05</sup>

The last *Department of Transport survey undertaken in 1972* suggested that at the time there were circa 40,000 unadopted roads in the England and Wales consisting or approximately 4,000 miles of roads. In 2009 the government estimated costs to upgrade and adopt roads circa 3 Billion.



NHBC commissioned a report with *Cambridge Centre for Housing and Planning Research 'Road and Sewer Bonds in England and Wales 2015'*.

- *NHBC had 10,276 bonds outstanding with 5,888 Section 38's and 1,155 Section 278's*
- *1.26bill bonds outstanding*
- *NHBC have circa 80% market share*
- *Provided bonds since 1989*
- *15% of bond being 10 years and older*

I would estimate the actual figure of unadopted schemes is actually more than double this figure.....





# Challenges for Developers<sup>05</sup>

## Highway challenges

- Based on a Highways Act that is now 45 years old
- Timescales that were not really established in the modern world
- Government advice note from 2022 still leaves a lot down to individual authorities *Advice Note Highways Adoption The Adoption of Roads into the Public Highway (1980 Highways Act) – August 2022*
- No direct regulator or Highway Ombudsman
- Little cohesion between Developers and Adopting Authorities
- Lack of drive and incentive for Councils to Adopt





# Highway Challenges

- Resource issues leaves authorities stretched
- Reduced funding by government - Some authorities concerned with bankruptcy
- Response times vary - 6 to 12 months at times
- 145 authorities with most having their own design guides...which can vary greatly – Government advice note says  
*“The Design Manual for Roads & Bridges (DMRB) should have little relevance (other than GG119 Road Safety Audits) when designing and constructing low traffic residential estate roads, although reference to the DMRB may be required for more complex highway infrastructure, structures and spine roads etc”*
- Lack of clarity and consistency in terms of inspection fees and bonds
- Commuted sums for standard construction elements
- Inconsistent inspection regimes
- Personal challenges – Practical and Pragmatic





# Sewer Challenges



- Still issues following 2011 transfers - *Flood and Water Management Act 2010*
- Sites that didn't transfer connect to unadopted outfall – Common problems with outfalls and easement
- Historically had massive challenges but Water companies slightly more consistent and forthcoming
- See developers more like clients
- Possible to complain to OFFWAT
- Turnover of staff – New people working from checklists with little knowledge





# Developers Internal Challenges

- Infrastructure not their core focus
- Boom and bust cycles
- Managing agreements to suit bond ceilings
- Disjointed approach to managing the adoption process – Technical/Build/Commercial
- Internal conflicts between departments
- Starting sites at risk
- Reactive and firefighting due to lack of resource
- Site managers leaving site to go to new development
- Difficult to reduce backlog when more sites/bonds added



## Commercial

Single package - Road and sewers, groundworks and estate completion works

- Contractor able to front -load contracts
- Desire to be onto the next site
- Release retention too soon
- Budget not realistic to finish sites
- Contractor has money left in the job



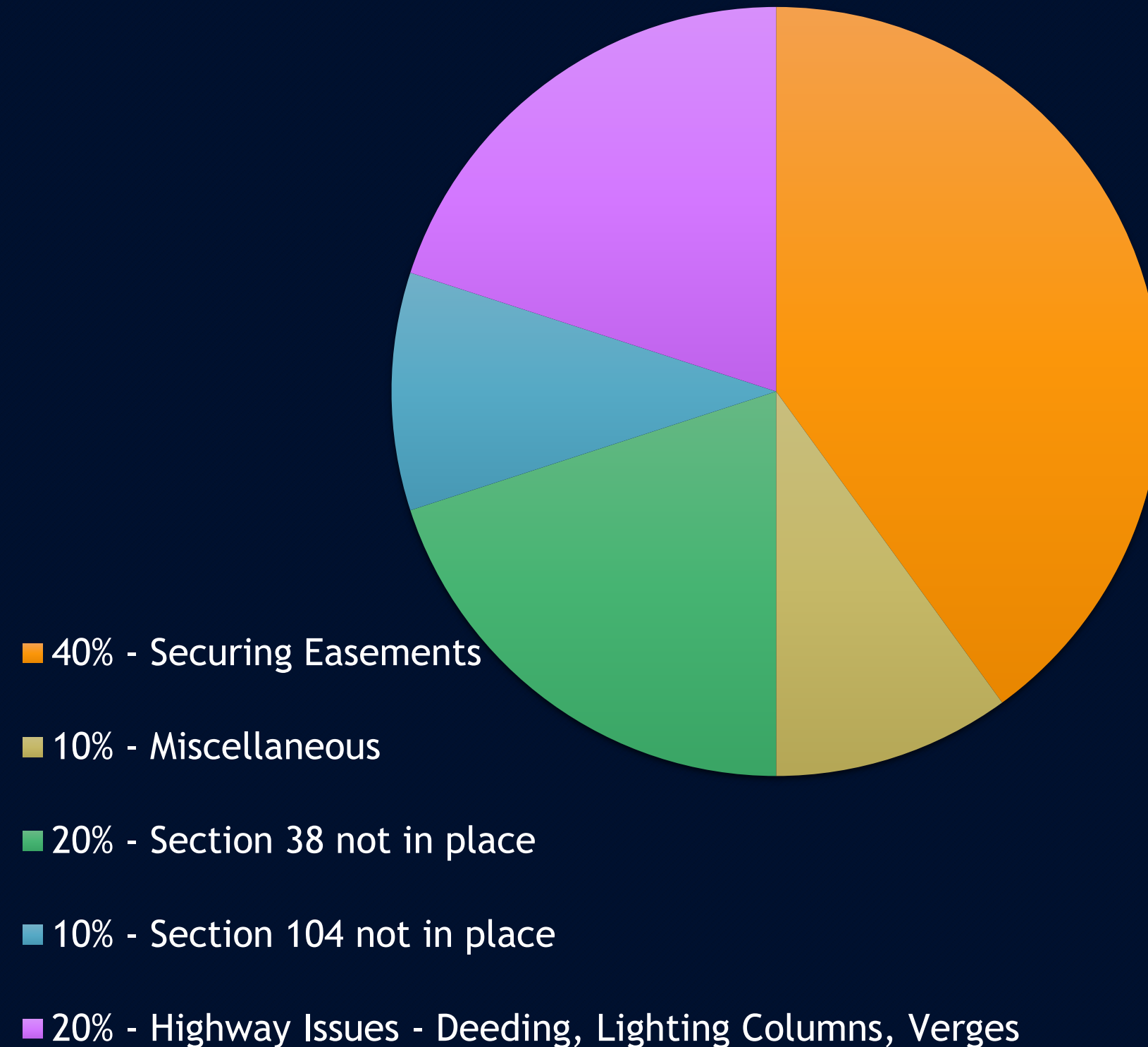
# Legal Hindrances

Legal hindrances that are prevalent with legacy adoption projects. Based on stats provided by our legal team.

- Out of 800+ adoptions JLES completed during the last 5 years average 30% had legal issues delaying adoption
- Value of legal works was only 5% of the total adoption cost but can delay for years – Resulting in more wear/tear and damage

05

Legal Issues Preventing Adoption





# Improvements & recommendations

- Fundamental mindset change – Government – DFT – Local Authorities
- Pragmatic approach to reducing backlog
- Recently been interviewed by IPSOS who have been commissioned by DFT to undertake market research on the issues with road adoptions and assess if the current model is fit for purpose
- Full overhaul and modernisation of Adoption Standards
- Implementation of National Design guides
- Mandatory build standards
- HBF lobbying government
- Working group for infrastructure stakeholders
- New Ombudsman for road adoptions
- Investment in Council Resources and additional funding is paramount.





## Inspection fee – Council Funding

Single consistent process for calculating inspection fees and bonds nationwide

Q. Would developers pay more fees for a level of service?..... Value for money?

Q. Could Councils be incentivized better to work with Developers?

Q. Would linking fee payments to stages help them to plan, resource, deliver and engage with developers better?

### Payment Upon Performance Model for fees?

10% Submission

10% Tech approval

30% Part 1

30% Part 2

20% Adoption





# Our clients

Hard work, determination, focus and relationships.

JLES 'Payment Upon Performance -Guaranteed Adoption Cost' model.....

## Recommendations

- Commercial contacts to separate tenders for Road/Sewers/Groundworks and estate completions works so they 'can' award packages independently
- More scrutiny before release of payments and retentions
- Structured stage inspections and investigation works – Possibly by an independent inspector
- Dedicated resource to deliver estate completion works





Thanks for your time and I will look forward  
to any questions you may have .....



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