

Commuted Lump Sum

Policy for Third Party Projects

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1. Introduction

National Highways is the government owned company which plans, designs, builds, operates and maintains England's motorways and major A roads, known as the strategic road network (SRN). We manage and improve England's motorways and major A roads, helping our customers have safer, smoother and more reliable journeys.

2. Scope

This document sets out National Highways policy on the application of Commuted Lump Sums for Third Party Projects.

3. Definitions

Commuted Lump Sum (CLS): A payment of a capital sum by an individual, authority or company to the highway authority, local authority or other body, as a contribution towards the future maintenance of the asset to be adopted or transferred¹.

Third Party Project: A project that impacts on the strategic road network that is promoted by an organisation other than National Highways.

4. Policy Statement

It is National Highways policy to exercise its right under the Highways Act 1980 to charge a CLS on all third-party promoted projects that result in new and changed assets on the SRN so as to ensure funding for future operation, maintenance and renewal of those assets.

National Highways is unable to support any third-party project that would introduce new or altered assets to the SRN, where the arrangements for CLS are not in place at the point of submission.

5. Context

National Highways operates in accordance with a Licence under the Infrastructure Act 2015. As the Licence Holder, National Highways take on the legislative functions including that of highways authority, traffic authority and street authority for the strategic road network and must act within the terms of the licence at all times.

Under the terms of its [licence](#), National Highways is responsible for the operation, maintenance and renewal of the SRN whilst conforming to the principles of sustainable development (encouraging economic growth whilst protecting the environment and improving safety and quality of life for current and future generations).

¹ Commuted Sums for Maintaining Infrastructure Assets, County Surveyors Society 2008

The operation, maintenance and renewal of new or changed assets arising from third-party schemes, is not funded through the Roads Investment Strategy.

Charging a CLS ensures funding for the future maintenance, renewal and operation of the new or changed asset and is crucial for an efficient and reliable network.

For highway infrastructure, CLS are secured by way of a legal agreement including:

- Section 38 Highways Act 1980 for new roads constructed on 3rd party land;
- Section 278 Highways Act 1980 for alterations and improvements made to existing publicly maintained highways or construction of new roads; and
- Section 6/8 Highways Act 1980 for works undertaken by a local authority.

6. Implementation

National Highways will seek to work collaboratively with third-party project promoters from the earliest stage of a project to support economic growth while safeguarding the SRN.

This Policy and its supporting guidance provide a transparent and consistent approach to the CLS levied, where new highway infrastructure is being adopted or highway infrastructure is being changed.