SCOTTISH STATUTORY INSTRUMENTS

2003 No. 416

ROADS AND BRIDGES

The Road Works (Recovery of Costs) (Scotland) Regulations 2003

Made - - - -	*8th September 2003*
Laid before the Scottish Parliament - - - -	*9th September 2003*
Coming into force - -	*1st October 2003*

The Scottish Ministers, in exercise of the powers conferred by sections 155(1) and 163(1) of the New Roads and Street Works Act 1991(**1**) and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Road Works (Recovery of Costs) (Scotland) Regulations 2003 and shall come into force on 1st October 2003.

(2) These Regulations extend to Scotland only.

Interpretation

2. In these Regulations–

"the Act" means the New Roads and Street Works Act 1991;

"the 1992 Regulations" means the Road Works (Sharing of Costs of Works) (Scotland) Regulations 1992(**2**);

"chargeable job" means an item of work, the costs of which are recoverable under the provisions of Part IV of the Act;

"claimant" means an authority, body or person who is entitled to recover costs under Part IV of the Act;

"costs" means costs or expenses referred to in section 155(1) of the Act as being recoverable by an authority, body or person under Part IV of the Act;

(**1**) 1991 c. 22. The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c. 46).
(**2**) S.I.1992/1672.

"costs centre" means a unit of financial accountability identifiable within a claimant's management accounts and responsible for specific activities within a claimant's organisation;

"cost in that period of capital" means the cost of capital calculated by reference to the rate of return which is prescribed either by legislation, or by the relevant regulator in respect of the claimant's regulated activities (whether or not the chargeable job is such an activity) or, if no such rate is prescribed, by reference to a rate which is two per cent above the Public Sector Discount Rate as set by the Treasury from time to time;

"direct costs" means those costs described in regulation 5;

"licence" means any form or authorisation, permission, or appointment, by which the claimant is authorised to carry out regulated activities;

"overheads" means those costs described in regulation 6;

"regulated activities" means activities which are authorised or regulated by a licence and

supervised by the relevant regulator;

"relevant regulator" means a person, independent of the claimant, charged with supervising the claimant's regulated activities and ensuring a claimant complies with the terms of the licence authorising those activities; and

"support services" mean services provided from within an organisation in support of activities which incur direct costs.

Basis of recovery

3. The basis on which the amounts of costs are to be calculated is that set out in the following provisions of these Regulations.

Costs

4.—(1) The costs shall comprise direct costs and overheads to the extent that such direct costs and overheads are relevant to a particular chargeable job and are calculated in accordance with the financial policies adopted by the claimant to state the financial results of the cost centres responsible for the chargeable job or for providing support services to such centres.

(2) Where costs are recoverable in pursuance of the 1992 Regulations the 1992 Regulations shall apply to the extent that the costs are "allowable costs" as defined in regulation 2(2) of the said Regulations.

(3) The costs shall be recoverable either as direct costs under regulation 5 or as overheads under regulation 6, but not both.

(4) The costs shall be net of any discount or rebate allowed to the claimant.

Direct Costs

5. Direct costs are costs of any of the following descriptions:–

(a) the cost of staff (whether salaried or non-salaried) employed directly by the claimant calculated in accordance with regulation 7;

(b) the costs payable to a contractor engaged by the claimant;

(c) the cost of materials;

(d) the cost of hiring equipment, plant and vehicles for transport or, where the equipment, plant or vehicles are leased to or owned by the claimant, the equivalent cost based on relevant market rates;

(e) other costs which are relevant and specifically attributable to a chargeable job.