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Delivering Identified Projects through a Strategic Transport Fund

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This is non-statutory supplementary guidance in support of the Aberdeen City and Shire Structure Plan 2009. On approval of the Strategic Development Plan (anticipated during the first half of 2014), it is intended that it would be re-published as statutory supplementary guidance. Amongst several aims, the structure plan seeks to create sustainable mixed communities and make the most efficient use of the transport network. To help achieve these aims, the structure plan identifies strategic growth areas as the main focus for development and includes several references to the link between the scale of new development proposed, the need to deliver new infrastructure and the requirement for developer contributions. These messages are reflected in the Proposed Local Development Plans (LDPs) in Aberdeen City and Aberdeenshire and supported by Scottish Government Circular 1/2009: Development Planning and 1/2010: Planning Agreements. Further information on the background to the guidance can be found in Appendix 1.

1. What is the purpose of this guidance?

1.1 The Aberdeen City and Aberdeenshire Cumulative Transport Appraisal (CTA) demonstrates that new development across the north-east will have an impact on transport infrastructure and that movements rely on a network of road, rail and public transport with a high degree of interdependency between the two council areas. A package of defined transport projects are identified by the CTA to mitigate the impacts of new development and the purpose of this guidance is to provide a mechanism for securing contributions from development to fund the delivery of this infrastructure. In doing so, this guidance will help deliver the development potential identified in the structure plan and ensure support for sustainable economic growth priorities in Aberdeen City and Aberdeenshire.

1.2 The projects include road and public transport interventions in a variety of locations where the cumulative impact of new housing and employment uses is likely to cause increased congestion. By sharing the financial burden widely across the region, no one development will be liable for the cost of a specific strategic project or delayed by its implementation. By being upfront about the mechanism for making contributions, developers will have greater certainty over strategic transport requirements.

2. Why is it being produced?

2.1 Good transport connections are essential to the economic prosperity of the region and the quality of life of the people who live and work here. The public sector has delivered, or is committed to delivering transport projects amounting to several hundred million pounds, such as the reopening of Laurencekirk Rail Station, Aberdeen Western Peripheral Route, Balmedie to Tipperty dualling, Third Don Crossing and park and ride sites. However, evidence from the CTA has shown that the impact of delivering the development opportunities identified in the LDPs will, over time, erode many of the benefits of these schemes. The CTA identified a number of locations where intervention is needed to mitigate the impact of new development. More detail on the CTA and package of interventions can be found in Appendix 2.

2.2 The structure plan directs development towards three strategic growth areas and makes it clear that the scale of development will bring about a need for new and improved infrastructure. It also expects that in some cases developers on a range of sites in both council areas will contribute to infrastructure where development has

wider effects. Developer contributions proportionate to the scale of new development will now be sought to meet the costs of this infrastructure.

3. Who will be expected to contribute?

3.1 The areas covered by this supplementary guidance are the strategic growth areas (SGAs) within the Aberdeen Housing Market Area (AHMA). All housing, business, industrial, retail and commercial leisure developments (subject to criteria) allocated to meet the structure plan allowances within these areas will be expected to make a contribution to strategic transport projects.. However, any appropriate proposal on an unallocated site within the AHMA will be liable to make a contribution.

3.2 Aberdeen and the SGAs nearest the city are highlighted in Figure 1, with specific allocations and intervention areas shown in Appendix 3. Within the local growth and diversification areas, the level of growth is related to local needs and development is unlikely to have an impact on the wider transport network; sites in such areas will not generally be expected to contribute. The requirements for contributions for each type of development are set out in Appendix 4. There may also be instances where a change of use application requires a contribution to the strategic transport fund.

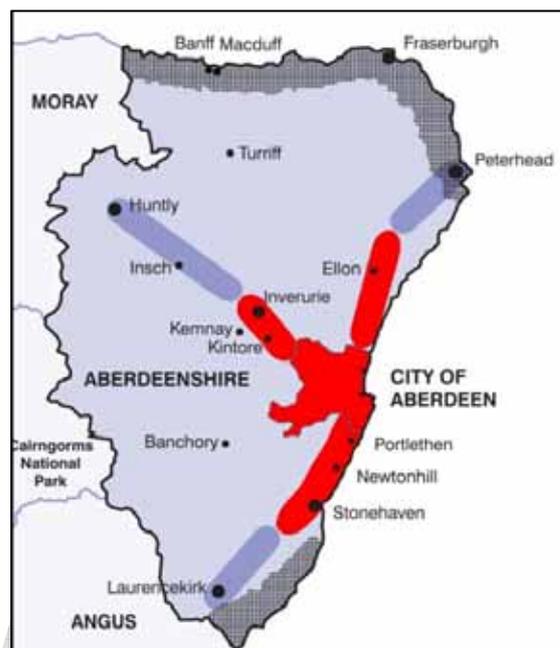


Figure 1: SGAs in the Aberdeen Housing Market Area

4. How much will the contributions be?

4.1 The appraisal work undertaken to date has been proportionate and based on the approach outlined within Transport Scotland's Development Planning and Management Transport Appraisal Guidance (DPMTAG). However, the potential interventions have not been fully considered in terms of Scottish Transport Appraisal Guidance (STAG), nor has feasibility or detailed engineering design work been undertaken. The precise details and cost of the projects are therefore not currently known, but must be based on previous experience until this is done. The councils may resolve to secure borrowing to allow up-front funding to develop and deliver some projects; costs associated with such borrowing will have to be repaid as monies accrue.

4.2 The contributions set out in Table 1 are based upon delivering the package of interventions identified in the CTA at an estimated cost of £86.6 million with the scale of development proposed up to 2023. These figures will be revisited at the beginning of each financial year and will take account of the Building Cost Information Service (BCIS) 'All In - Tender Price Index'. Contributions will be adjusted accordingly with immediate effect, but will not fall below the 2011/12 baseline figure. More details on the mechanism and a worked example are provided in Appendix 5.

Table 1: 2011/12 contribution levels

RESIDENTIAL			NON-RESIDENTIAL		
unit size	per unit	% weighting	use class	per hectare	% weighting
1 bedroom	£1,239	60%	Class 1	£74,412	120%
2 bedroom	£1,652	80%	Class 3	£62,010	100%
3 bedroom	£2,064	100%	Class 4	£86,814	140%
4 bedroom	£2,477	120%	Class 5	£55,809	90%
5 bedroom+	£2,890	140%	Class 6	£43,407	70%
			Class 7	£55,809	90%
			Class 11	£55,809	90%
Please note: the number of bedrooms will be calculated on the basis that a study or other non-public room could be used for that purpose			Please note: these classes are determined by The Town and Country Planning (Use Classes) (Scotland) Order 1997		

5. How and when will contributions be payable?

5.1 A planning obligation or other legal agreement will be used to secure contributions; these will be paid into a dedicated strategic transport fund. Developers will be allowed to defer payment of their contributions until such time as revenue begins to be generated by the site. For residential, first payments will be once 50% of the units applied for are complete and then based on quarterly completions in arrears. Mixed use and employment contribution payment dates can be negotiated with planning gain. Construction on many sites will take several years and in these situations contributions will continue to be linked to the Tender Price Index of construction costs over the duration of the build period.

5.2 On some sites it may be possible for a developer to make 'in kind' contributions to deliver a specific identified intervention; in these limited cases, obligations will be reduced accordingly. Due to the length of time it often takes to deliver strategic transport projects, there will be a requirement to hold contributions for a period of up to 20 years.

6. How will contributions be used?

6.1 Nestrans as the Regional Transport Partnership will hold and administer contributions in a strategic transport fund. As contributions are received they will be placed into a ring-fenced account. The monies in this account will only be available for delivering strategic transport projects in the identified locations, including detailed assessment, development and design work. An annual report will be published clearly setting out the balance sheet of the fund and the projects progressed during the year.

6.2 Recommendations about when to deliver each of the interventions will be based on a number of criteria. These include, the order of priority identified in the structure plan, scale and urgency of the problem and anticipated phasing of development. These will be agreed by the Nestrans Board following consultation with the councils, SDPA and Transport Scotland.

6.3 The location and scale of interventions required will only change following a thorough review of the CTA and through the Strategic Development Plan and / or Regional Transport Strategy. More details on the role of Nestrans, prioritisation, monitoring and review of the strategic transport fund can be found in Appendix 6.

Appendix One: The Background to the Supplementary Guidance

Link to the Structure Plan / Local Development Plans / Circular

The Aberdeen City and Shire Structure Plan was approved in August 2009 and sets the framework for growth by setting targets for the level of new housing and employment land to be allocated across the North East. The structure plan directs development towards 3 strategic growth areas within the North East:

- Aberdeen City
- Huntly to Laurencekirk
- Aberdeen to Peterhead

Paragraph 3.8 of the structure plan highlights that:

“Development in these areas will bring about a significant need for improvements to the infrastructure, including new primary and secondary schools, improvements to roads and railways, and new water and waste-sustainable mixed communities”.

Following publication of the structure plan both councils have prepared LDPs to include sites which reflect the development targets, and the aims and objectives, set out in the structure plan. In preparing their LDPs, both councils have taken a new approach to planning and delivering new development by establishing groups known as Future Infrastructure Requirements for Services (FIRS) Groups. These groups helped the councils to investigate the impact of development up-front, assess the capacity of existing infrastructure to accommodate new development, and thereby identify the new infrastructure required to fully mitigate the impact of development. In turn, this has allowed the development industry to be better informed on the infrastructure which will be required to support the delivery of each new development.

The approach taken by the councils reflects the government guidance set out in Circular 1/2010 Planning Agreements (paragraph 18) which states that:

“Planning agreements must be related in scale and kind to the proposed development. In assessing any contributions planning authorities may take into account the cumulative impact of development over time. The effect of such infrastructure investment may be to confer some wider community benefit but contributions should always be proportionate to the scale of the proposed development.”

This guidance provides the context for the approach taken by both councils towards infrastructure provision. The CTA takes account of the capacity of the transport network to accommodate new development and provides evidence that a number of transport-related mitigation measures are required but can not be attributed to the impacts of specific developments. On this basis, the SDPA, councils and key partners took a joint decision to find a mechanism for applying the costs of these cumulative items of infrastructure to new development allocated through the structure plan and subsequent LDPs. Fundamentally, this approach seeks to ensure that development in the future does not have a detrimental impact on the transport network.

Given the strategic nature of this work, which relates to both Aberdeen City and Aberdeenshire areas, it is felt that the structure plan provides the most appropriate channel to bring forward the proposed approach to cumulative infrastructure. It is proposed to publish supplementary guidance to the approved structure plan, which would enable both councils to reflect the approach in their emerging supplementary guidance prepared as part of the LDP.

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Appendix Two: The Cumulative Transport Appraisal (CTA)

Nestrans, in partnership with the Strategic Development Planning Authority, Aberdeen City Council, Aberdeenshire Council and Transport Scotland commissioned a study to carry out a transport appraisal of the impact of development allocated in the emerging LDPs for Aberdeen City and Aberdeenshire. The study used modelling to consider the cumulative strategic transport impacts associated with the scale and distribution of development proposals.

The CTA has enabled, for the first time, a strategic overview of the impact of the proposals being outlined in the LDPs to be taken. The modelling process applies a range of transport infrastructure and planning and development information, along with anticipated changes in demographics and car ownership to calculate and forecast future levels of traffic and travel. The study focussed on the overall strategic and cumulative impacts of all developments on the road network as a whole and predicted the impacts of the full scale of development, as outlined in the emerging LDPs, in the year 2023.

As well as anticipated changes in demographics and car ownership, the appraisal work assumed a number of already committed and proposed transport schemes to also be in place by 2023. These included:

- Strategic rail – improved Edinburgh-Aberdeen, Aberdeen-Inverurie and Aberdeen-Inverness services;
- Laurencekirk rail station and rail service changes (now open);
- Grade separation on the A90 at Findon;
- A956 dual carriageway update (now complete);
- Union Street pedestrianisation and traffic management schemes;
- An A96-to-Aberdeen Airport Link Road;
- A90 Balmedie-Tipperty dualling;
- Aberdeen Western Peripheral Route;
- Proposed new Park & Ride sites and associated bus services;
- Haudagain Roundabout Improvements; and
- The 3rd Don Crossing.

With the scale of development proposed the appraisal showed that the implementation of the full structure plan allowances for housing and employment erodes the benefit achieved through the proposed (and in some cases already completed) transport interventions. Congestion is forecast to increase at some locations beyond current day levels, including locations on the A96, A944, A956 and A90 South.

To mitigate the identified impacts associated with development, a series of potential road and public transport interventions were identified and tested. The appraisal showed that this package of interventions can mitigate the traffic impacts associated with the structure plan and LDPs at strategic locations across Aberdeen and Aberdeenshire and is predicted to bring congestion levels back down to 2010 levels or better at many locations.

This package of high level options, set out in the table below, represents the scope and scale of intervention that may be required to accommodate the LDPs. They aim to mitigate the potential congestion impacts and improve the level of public transport accessibility at new developments.

Cumulative Infrastructure requirements

Public Transport
New station at Kintore Bus priority measures Bus frequency improvements Additional bus services linking new development sites to city centre and key employment destinations.
Road Network (over and above local road infrastructure requirements)
North Aberdeen Parkway, Persley Bridge & Parkhill junction and capacity improvements
A96 corridor Capacity improvements & upgrade AWPR Kingswells North Junction
A944 Corridor Upgrade A944 junctions and safety / limited capacity improvements on access to A93
A956 / A90 Corridor Junction capacity improvements River Dee Link

It should be noted that the potential interventions identified above have not been fully considered in terms of Scottish Transport Appraisal Guidance (STAG) or subject to detailed engineering design and feasibility and a full appraisal of each location would still be required in order to identify a preferred option. Environmental assessments detailing the potential constraints associated with each intervention have also not been considered through the CTA.

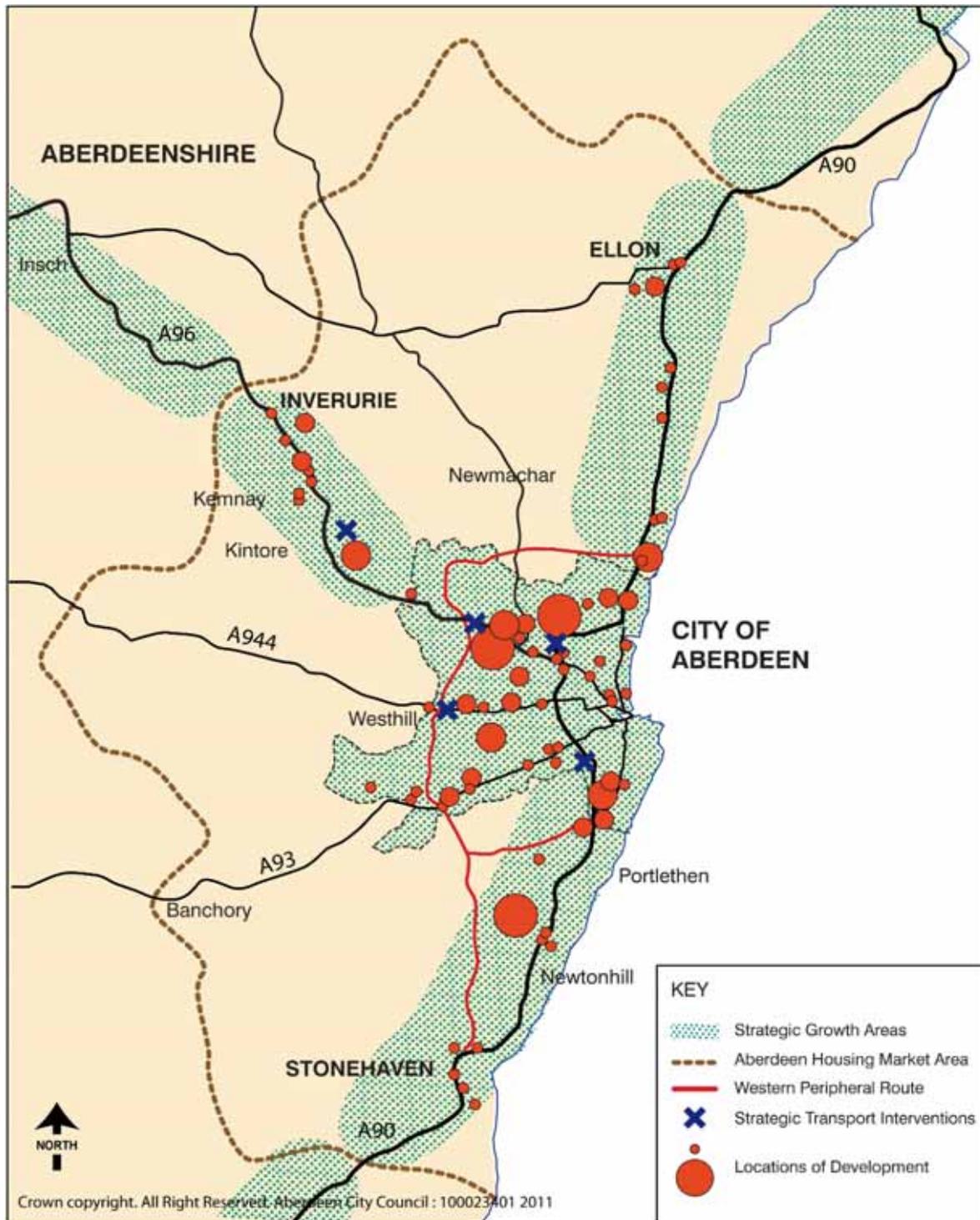
The study does however provide the evidence to enable a more informed view to be taken with regard to the potential cumulative, cross boundary effects of the Aberdeen City and Aberdeenshire Council's LDPs and the likely scale of intervention required to mitigate these impacts. The following conclusions can be made from the work that was undertaken:

1. The scale of development proposed in the structure plan, both the high growth allowance and the medium growth requirement scenarios, will have a significant impact on the transport network of the region, particularly in areas approaching and within the city.
2. There are a number of transport interventions already being delivered or in the pipeline, that have been shown will have a significant benefit on the transport network.
3. However, there will be areas across the network which will still cause major concerns with this scale of development in place.
4. A package of transport interventions has been shown to mitigate these impacts and further work will be required to bring these forward.

The full report of the CTA study can be found at:

www.nestrans.org.uk/db_docs/docs/LDP_Cumulative_Appraisal_Final_Report.pdf

Appendix Three: Distribution of Development and Intervention Areas



Note: The locations of development are indicative and do not include every site from the LDPs, small sites in particular may not appear on the diagram.

Appendix Four: The Requirements for Contributions

The requirement for contributions to the Aberdeen City and Aberdeenshire strategic transport fund will apply to housing, business, industrial, retail and commercial leisure developments in the strategic growth areas within the Aberdeen Housing Market Area boundary as set out in the table below.

Within the Local Growth and Diversification areas the level of growth is related to local needs and therefore development is unlikely to have an impact on the strategic transport network. Caveats are however included to capture contributions from any development proposals which are an exception to this rule.

Description of Development	Criteria and / or Threshold
<p>Residential (Use Class 9)</p> <p>Construction of buildings, structures or erections for use as residential accommodation.</p>	<p>All development proposals on allocated residential and mixed use sites in the Aberdeen City LDP and Aberdeenshire LDP within the Strategic Growth Area and Aberdeen Housing Market Area.</p> <p>All windfall development proposals in the strategic growth areas and Aberdeen Housing Market Area comprising 5 or more dwellings.</p> <p>All windfall development proposals in the Local Growth and Diversification Area and the Aberdeen Housing Market Area comprising 5 or more dwellings where an impact on the strategic transport network has been identified</p>
<p>Employment/Commercial (Use Classes 4, 5 and 6)</p> <p>Construction of a building, structure or other erection for use for any of the following purposes–</p> <p>(a) as an office; (b) for research and development of products or processes; (c) for any industrial process; or (d) for use for storage or as a distribution centre.</p>	<p>All development proposals on allocated mixed use and employment sites in the Aberdeen City LDP and Aberdeenshire LDP within the Strategic Growth Area and Aberdeen Housing Market Area.</p> <p>All windfall development proposals in the strategic growth areas and Aberdeen Housing Market Area where the gross floorspace of the building exceeds:</p> <p>(a) Class 4: Business 2,500 m² (b) Class 5: General Industrial 5,000 m² (c) Class 6: Storage, Distribution and Warehousing 10,000 m²</p> <p>All windfall development proposals in the Local Growth and Diversification Area in the Aberdeen Housing Market Area, where the above requirements are met and where an impact on the strategic transport network has been identified.</p>
<p>Food and Drink / Hotels / Assembly and Leisure (Use Classes 3, 7 and 11)</p> <p>Construction of a building, structure or other erection for use for any of the following purposes–</p> <p>(a) Cinema, Hotels and Conference Facilities (b) Leisure Facilities – e.g. casinos, bingo or dance halls. (c) Stadia</p>	<p>All development proposals in the Aberdeen Housing Market Area, both Strategic Growth Area and Local Growth and Diversification Area, where the gross floorspace of the building is or exceeds 1,000m² and an impact on the strategic transport network has been identified.</p>
<p>Retail (Use Class 1)</p> <p>Construction of a building, structure or erections for use for the retail sale of food and/or non food goods</p>	<p>All development proposals in the Aberdeen Housing Market Area, both Strategic Growth Area and Local Growth and Diversification Area, where the gross floorspace of the building is or exceeds 2,500 m² and an impact on the strategic transport network has been identified.</p>

Note: Use Classes 2 (Financial, professional and other services), 8 (Residential institutions) and 10 (Non-residential institutions) will not be liable for contributions.

Appendix Five: The Mechanism and a Worked Example

The mechanism to derive contributions is based upon feedback from both our residential and commercial customers, who believe it fair that contributions be sought from both residential and commercial developments.

The mechanism is based on delivery of 34,650 residential units and 243 ha of employment land in the period up to 2023. For simplicity the methodology works on a split of hectares residential development and hectares employment land:

Residential (ha)	34,650/30 units per ha	1,155 ha
Employment (ha)		243ha

This divides the contributions as follows:

Housing	1,155 ha	82.6%
Employment	243 ha	17.4%
Total	1,398 ha	

The package of strategic interventions will be costed and divided by this split. Currently estimated at £86,600,000 to fund the package of interventions, this would secure average contributions of £2,064 per house unit and £62,010 per hectare for non-residential uses.

Adjustments will be made depending upon the size of house units. A standard house unit is a 3 bed house, and the following adjustments will apply:

Dwelling size	% of average contribution
1 bed unit	60%
2 bed unit	80%
3 bed unit	100%
4 bed unit	120%
5 bed unit	140%

Commercial developments have been calculated using a matrix which takes into consideration trip generation from this land use, land values and the likely split of different uses within the 243 ha. This resulted in a weighting which has been applied to the different Use Classes Order, where the following adjustments will apply:

Use Class	% of per hectare contribution
Class 1 (Retail)	120%
Class 3 (Food and Drink)	100%
Class 4 (Business)	140%
Class 5 (General Industrial)	90%
Class 6 (Storage or Distribution)	70%
Class 7 (Hotels)	90%
Class 11 (Assembly and Leisure)	90%

Worked example

A development of 100 residential units with 3 ha employment site, within the Aberdeen Housing Market Area and within one of the strategic growth areas.

The 100 units comprise:

10 x 1 bed units @ £1,239 =	£12,390
30 x 2 bed units @ £1,652 =	£49,560
50 x 3 bed units @ £2,064 =	£103,200
10 x 4 bed units @ £2,477 =	£24,770
Total	£189,920

From the commercial sector, using 3 ha of employment land, which comprises:

2 ha of Class 4 use @ £86,814 =	£173,628
1 ha of Class 6 use @ £43,407 =	£43,407

Total	£217,035
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Total contributions sought from this example:

Residential	£189,920
Commercial	£217,035
Total	£406,955

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Appendix Six: The Role of Nestrans and Fund Management

North East Strategic Transport Fund Executive Group: This group will be a continuation of the group set up to develop this mechanism for developer contributions to strategic transport infrastructure and include representatives from:

- Nestrans
- Strategic Development Planning Authority
- Aberdeen City Council Planning and Transportation teams
- Aberdeenshire Council Planning and Transportation teams
- Planning Gain for Aberdeen City and Aberdeenshire Councils
- Transport Scotland

The decision making body for this work will be the Nestrans Board which comprises senior councillors from both Aberdeen City and Aberdeenshire Councils. All decisions made at the Nestrans Board would then be referred to the two councils and Transport Scotland for approval as the relevant roads and planning authorities.

Agreement of all recommendations being put forward to the Nestrans Board would be sought at the Executive group first to ensure that a partnership approach is maintained.

North East Strategic Transport Fund: Nestrans would hold and manage the strategic transport fund which would be ring-fenced to projects needed to address the cumulative impact of the LDPs and that have been identified through the CTA modelling process.

Contributions would be received into this fund from developers through the agreed developer contributions mechanism that is set out in this supplementary guidance.

Prioritisation and delivery

The areas for intervention, as identified in the CTA, will be prioritised based on priority corridors identified in the structure plan, scale and urgency of the problem and anticipated phasing of development. This process will include appropriate levels of consultation with recommendations agreed by the Nestrans Board and referred to the two councils for approval.

Further development of the strategic infrastructure requirements would be based on the agreed prioritisation and follow Scottish Transport Appraisal Guidance (STAG) methodology to appraise and help identify a preferred option. The commissioning / undertaking of this work will be managed by Nestrans with input from Transport Scotland, but there will likely be requirement to engage consultants and/or the two councils to carry out much of this work.

A STAG appraisal process will identify the problems, set objectives and set out and appraise the range of potential solutions. The results of this work will enable a recommendation to be made on a preferred solution for each identified hotspot. Nestrans would lead on this process in close consultation with the Executive Group, involving all partners, with recommendations on preferred schemes reported to the Nestrans Board and to the two councils and Transport Scotland as roads authorities.

Once decisions have been made on a preferred option each scheme will be required to go through detailed design and costing and the relevant planning and legal

processes. Project teams would be set up to manage the delivery of individual interventions.

Annual review and reporting

The Nestrans Board would be updated on a 6 monthly basis on progress towards developing and delivering strategic transport projects. All reports to the Nestrans Board are publicly available on the Nestrans website and will be made available to all stakeholders.

An annual report would be produced and reported to the Nestrans Board and subsequently referred to the two councils setting out:

- Actions and progress from the previous year;
- A financial report on the funding received into the strategic transport fund, what has been spent and on what;
- Actions and priorities for the coming year based on the prioritisation process and delivery plan.

A five year review will be undertaken which will re-run the CTA using ASAM and include the most up to date information available regarding population, travel to work patterns and development allocations. The priorities will be reviewed and re-assessed on the basis of this analysis to ensure that the priorities and projects remain valid. Any changes to the prioritisation would require to be approved by the Nestrans Board and the two councils.

The outcomes of the CTA work will be incorporated into the review of the Regional Transport Strategy and its subsequent reviews and also into the development and review of the Strategic Development Plan and LDPs, all of which will be subject to appropriate levels of public and stakeholder consultation. Reviews of the supplementary guidance would be tied in with reviews of the Strategic Development Plan. The aim of this is to ensure that the projects that are being taken forward are integrated into the wider strategic aims for the region and part of the overarching strategy for transport in the North East. The STAG process should also ensure that the options that are developed are in line with national, regional and local policy.