

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
29 November 2011

**Subject: DEVELOPMENT CONTRIBUTION CALCULATION MECHANISMS FOR THE
BEDALE FOOTPATH AND CYCLEWAY SCHEME – LDF PROPOSAL BC3**

**Bedale, Leeming Bar and Leeming Wards
Scrutiny Committees**

Cabinet Member for Housing & Planning: Councillor M S Robson

1.0 PURPOSE AND BACKGROUND:

- 1.1 This report proposes a method of calculating contributions from developers towards the delivery of the Bedale Footpath and Cycleway – Proposal BC3 in the Local Development Framework (LDF) Allocations DPD. The methodology is similar to that approved by Cabinet in November 2010 for contributions towards the North Northallerton Link Road (NNLR) scheme.
- 1.2 In order to gain developer contributions towards the provision of required infrastructure, robust mechanisms need to be in place to calculate and justify such contributions and Cabinet approval for them is necessary. The approach will be an interim measure, until the relevant proposed Community Infrastructure Levy (CIL) tariff is adopted.
- 1.3 The intention of the footpath/cycleway is to provide a safe and convenient link between the housing allocations made in the LDF in Aiskew and the services and facilities in the centre of Bedale on the one hand and the employment uses at Leeming Bar on the other. The existing footpath links along the A684 between Bedale and Aiskew are not ideal and so the proposal was an integral part of the policy of putting housing allocations in Aiskew. Approval of the calculation mechanism is needed now because there is a planning application for housing awaiting determination which cannot proceed until this is in place and there are also other applications pending.
- 1.4 The proposed calculation mechanism is set out in Annex A. All developments within the defined “contribution zone” will be liable to make a contribution towards the scheme in proportion to the impact that the development is likely to have on the transport network. Contributions will be based on daily trip rates calculated for development and multiplied by a tariff. The tariff will be based on the estimated cost of the footpath/cycleway divided by the number of potential daily trips from all the development likely to be implemented up to 2026. The Bedale Cycleway Feasibility Study 2010, undertaken by Sustrans, provides the basic cost estimates of the scheme in its entirety. These costs have been verified by NYCC.
- 1.5 This report does not seek authority for the Council to develop the Bedale Footpath and Cycleway Scheme. Rather, it seeks authority for the methodology for calculating developer contributions and for gathering those contributions as a means of facilitating the scheme.

2.0 **DECISIONS SOUGHT:**

2.1 Members are asked to approve for Development Management purposes, the use of the methodology for calculating developer contributions for the Bedale Footpath and Cycleway. Its use will be limited to relevant development proposals in the Bedale, Aiskew and Leeming Bar 'contribution zone' to ensure reasonable and justifiable contributions to the scheme. It will be an interim measure until a replacement or updated mechanism is in place in the form of CIL.

3.0 **LINK TO CORPORATE PRIORITIES:**

3.1 The content of this report relates to the corporate priority for Housing and Planning and specifically the provision of new dwellings. The proposed mechanism for calculating developer contributions will help to provide developer funding for key transport infrastructure required for the level of development set out and planned for in the Local Development Framework. Having an agreed system in place will speed up the granting of planning permission for housing and economic development.

4.0 **RISK ASSESSMENT:**

4.1 Risk in approving the recommendation:

Risk	Implication	Prob*	Imp*	Total	Preventative action
Increased costs imposed on developers may impact on overall viability of developments.	Negotiation will be required with developers to identify Council priorities.	4	3	12	The economic viability of sites was tested at the Examination but further viability assessments will be required of developers to show whether viability is affected.
Increased infrastructure contributions on developers may stifle development.	Limited development taking place within the District means Corporate priorities are not being achieved.	3	4	12	Pre-application discussions with developers will be undertaken and clear application of the methodology will be undertaken to ensure fair and reasonable contributions are made.

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

4.2 Risk in not approving the recommendation(s):

Risk	Implication	Prob*	Imp*	Total	Preventative action
Planning applications cannot proceed until contributions agreed.	Construction of new housing delayed.	5	5	25	Agree recommendation
No delivery mechanism or management arrangements in place for provision of contributions	The Foot and Cycleway can not be delivered.	5	4	20	Agree recommendation

Risk	Implication	Prob*	Imp*	Total	Preventative action
towards the foot and cycleway					
Development does not contribute fairly and reasonably towards necessary infrastructure	Existing infrastructure will be overloaded due to the burden placed on it by the increasing amount of development approved.	4	5	20	Adopt and authorise the use of the developer contribution methodology proposed.
Required contributions could be challenged by applicants without any robust methodology approved.	Delays in granting planning permissions. Applicants are successful in planning appeals and may also gain costs.	4	4	16	As above. Engage with applicants at an early stage (pre-application) to clarify infrastructure requirements.

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

- 4.3 The delivery of the Bedale Footpath and Cycleway will not be undertaken by Hambleton District Council. The Council will seek to ensure that the provision of the scheme will be developer-led in partnership with others such as North Yorkshire County Council, as the highway authority, and possibly Sustrans. Hambleton District Council's role will be one of co-ordinating the collection of developer contributions through the mechanism identified in this report, monitoring and reviewing progress towards meeting the identified targets and working with developers and others to ensure delivery.

5.0 SUSTAINABILITY IMPLICATIONS:

- 5.1 There are no sustainability issues directly related to the recommendations of this report. However, the non-implementation of the proposed methodology may lead to development being undertaken which does not offer any sustainable transport options.

6.0 FINANCIAL IMPLICATIONS AND EFFICIENCIES:

- 6.1 There are some resource implications for the Council related to the negotiating and administering of the developer contributions. Where contributions are held and by whom, will need to be clarified. This will need to be resolved between delivery partners and may lead to the Council holding such funds until required for the delivery of the foot and cycleway.
- 6.2 Lost contributions from developments towards strategic infrastructure identified in the Hambleton LDF will lead to an inability to deliver this infrastructure. This will adversely affect the capacity of existing infrastructure, its maintenance costs and the sustainability of future proposed development.

7.0 LEGAL IMPLICATIONS:

- 7.1 By not having a robust and ratified mechanism in place to calculate developer contributions, the Council will find it difficult to defend a refusal of a planning application at appeal on the grounds of a developers' reluctance to pay a contribution. This could lead to the risk of costs being awarded against the Council following appeal. The legal robustness and justification for such an approach being used to calculate contributions has been assessed by Jacobs and is considered by them to be reasonable.

7.2 On this basis, the approach proposed by Jacobs is considered to be in line with the requirements of Circular 05/2005 and the Community Infrastructure Levy (CIL) Regulations 2010 (as amended in 2011). The arrangements for receiving and managing contributions will require legal mechanisms between the Council, developers and third parties but this should not be difficult to accomplish.

8.0 SECTION 17 CRIME AND DISORDER ACT 1998:

8.1 There are no issues in relation to the content or recommendations of this report.

9.0 EQUALITY/DIVERSITY ISSUES:

9.1 There are no issues arising.

10.0 RECOMMENDATION:

10.1 It is recommended that the Council adopts the approach set out in Annex A as an interim arrangement for calculating contributions towards the Bedale Footpath and Cycleway and authorises its use for Development Management purposes for the period prior to adoption of relevant contribution mechanisms such as CIL.

MICK JEWITT

Background papers: LDF Allocations DPD (2010)
Bedale Cycleway Feasibility Study (2010) - Sustrans
Author ref: AMc
Contact: Andrew McCormack
Planning Policy & Design Officer
Direct Line: 01609 767055
Email: andrew.mccormack@yahoo.com

Developer Contributions
for the
Bedale Footpath and Cycleway

Hambleton District Council

September 2011

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1 Introduction

- 1.1 This document sets out Hambleton District Council's (HDC) mechanism for calculating developer contributions towards the *Bedale Footpath and Cycleway* (Proposal BC3 in the Hambleton Local Development Framework (LDF) Allocations) and the charging schedule for development within the identified Contribution Zone in the Aiskew, Bedale and Leeming Bar area (see **Annex A**).
- 1.2 All sites and development in the defined Contribution Zone will contribute towards the delivery of the scheme in proportion to the impact that the development is likely to have on the transport network, providing infrastructure which will bring a sustainable option to the use of the private car. This will ensure funding is secured in a manner that is consistent and fair and in line with the principles underpinning the Community Infrastructure Levy (CIL).
- 1.3 The mechanism set out in this document will be used by HDC as a tool for calculating fair and reasonable contributions from development towards a specific element of infrastructure identified in the Hambleton LDF Allocations. This will be in place until updated by the Council's CIL Charging Schedule arrangements, once these have been defined and adopted.

2 Policy Review

National Policy

- 2.1 Government guidance, in the form of Circular 05/2005 'Planning Obligations' advised that the adequacy of transport infrastructure is an important consideration in the granting of planning permission and that transport improvements which are necessary in order for a development to take place can be made the subject of planning obligations provided that the improvements are:
 - relevant to planning
 - necessary to make the proposed development acceptable in planning terms
 - directly related to the proposed development
 - fairly and reasonably related in scale and kind to the proposed development; and
 - reasonable in all other respects.
- 2.2 The Circular specifically encourages the application of a formulaic approach and standard charges as part of a framework for negotiating and securing planning obligations.
- 2.3 The Community Infrastructure Levy Regulations (April 2010) (and as amended in April 2011) provide an update to Circular 05/2005 with Regulation 122(2) stating that:

"A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is –

- (a) necessary to make the development acceptable in planning terms;*
- (b) directly related to the development; and*
- (c) fairly and reasonably related in scale and kind to the development."*

Local Policy

- 2.4 Hambleton District Council's Local Development Framework (LDF) Allocations document states that in relevant policies in the Bedale, Aiskew and Leeming Bar area, as listed below, developer contributions will be sought towards providing footpath and cycleway links.

BM1	Bridge Street, Bedale
BH2	Pig Farm, Aiskew
BH3	South East of Aiskew
BH4	The Abattoir, Aiskew
BH5	Wilberts Farm, Sand Hill Lane, Aiskew
BH6	Lyngarth Farm, Bedale
BM2	North East of Aiskew House Pig Farm, Aiskew
BH9	South of Northallerton Road, Leeming Bar
BM4	Leeming Lane, Leeming Bar
BE1	North West of Leeming Bar Industrial Estate, Leeming Bar

2.5 Each of these allocated sites will be expected to contribute towards the *Bedale Footpath and Cycleway*. In addition, all windfall sites within the identified 'Contribution Zone' will also be expected to make contributions.

3 The Need for a Tariff

Future Development

- 3.1 Significant levels of new development are proposed in the Aiskew, Bedale and Leeming Bar area up to 2026. This level of growth will require some considerable investment in local transport infrastructure and services in order to facilitate economic activity, as well as maintaining and enhancing local quality of life.
- 3.2 These new developments will have an impact on the transport network and sustainable alternative modes of transport to the private car need to be pursued. Therefore, it is important that funds to provide these alternatives are secured which will contribute to enhancing and maintaining the sustainable transport network – such as the *Bedale Footpath and Cycleway*.
- 3.3 It is proposed that all new development which creates additional travel demand on the network will be required to contribute in proportion to the impact of the development in question. This approach of pooling contributions from relevant developments will capture the cumulative impact of each development and consolidate funding to deliver a comprehensive scheme.
- 3.4 There are a small number of exemptions to payment of contributions which are explained later in this report.

4 Developing The Tariff

- 4.1 In developing the calculation for developer contributions towards the *Bedale Footpath and Cycleway* relating to development in the Bedale, Aiskew and Leeming Bar area, the following assumptions have been made:
 - HDC has chosen to base the tariff on the relevant site allocations set out for Bedale, Aiskew and Leeming Bar to 2026 as set out in paragraph 2.4 above.
 - Daily trip rates have been used to calculate contributions. The use of daily trip rates ensures that all development contributes on an equitable basis with specific emphasis on retail due to its non-traditional peak hours. This daily trip rate approach is in line with the emerging County-wide STIMP and also contributions calculated towards the North Northallerton Link Road. This allows for each element to be combined into an overall approach to developer contributions to be set up under the Community Infrastructure Levy (CIL).

- It is considered unlikely that 100% of allocations will be brought forward by 2026: this is based on the allocations set out in the previous Hambleton Local Plan (1991-2006) of which 90% residential and 60% employment came forward in that time period. As such, and in the spirit of fairness and equitability, all development will be subject to make contributions towards the *Bedale Footpath and Cycleway*, calculated on a daily trip rate basis. These contributions will be considered ‘windfalls’ and will be used towards the implementation and maintenance of the scheme.
- In order to reflect the non-conventional peak nature of retail traffic, it is proposed to set the tariff per daily trip for retail at half of that for residential and employment uses.
- All contributions will be based on the tariff being applied to the net increase in trips once any existing trips associated with the site have been discounted. This will apply to previous uses active within the preceding 5 years to the date of planning approval for new development.

5 Identifying the Amount of Predicted Development

5.1 The applicable allocated development is located within a ‘Contribution Zone’ which covers Aiskew, Bedale and Leeming Bar and relates to all development taking place within and adjacent to these settlements. The development identified on site allocations, to 2026, applicable to the *Bedale Footpath and Cycleway*, is as follows:

- Residential = 633 dwellings
- Employment = 5.4 hectares (B1, B2 and B8)
- Retail = 0.75 hectares (approx)

Identifying Vehicle Daily Trip Rates

5.2 The total two-way vehicle daily trip rates associated with varying types of development have been derived from the TRICS 2010 (b) database and are detailed below. TRICS is a database system which allows users to determine potential levels of trip generation for a wide range of development and location scenarios through the use of archived traffic counts.

Residential Development

5.3 TRICS demonstrates that the average two-way trip rate per dwelling is 6 (six) per day. For the purpose of this calculation it has been assumed that all allocations refer to an ‘average’ dwelling which has been taken to represent a 3 bedroom house; as such, each allocated dwelling has been calculated on the assumed basis of generating 6 daily trips.

5.4 HDC may, at a later date, decide to adjust this figure in accordance with detailed planning applications; should this be the case it is advised that the following scale is used to determine generated daily trips in line with Circular 05/2005 which states that ‘obligations must be fairly and reasonably related in scale and kind to the proposed development’:

1-bed dwelling=	4 daily trips
2-bed dwelling=	5 daily trips
3-bed dwelling =	6 daily trips
4-bed dwelling =	7 daily trips
5-bed dwelling =	8 daily trips

Employment Development

- 5.5 Employment generated trips are based on an average of B1 and B2 uses, and are based on Gross Floor Area (GFA). The developable floor space for employment development has been calculated as 35% of the total site area, expressed in square metres.
- 5.6 It has been assumed that one third of the employment trips are linked to the new residential developments and as such are already counted. Therefore, two thirds of the total employment trips have been used in calculating the tariff so as not to double count. Where there is a mix of employment uses proposed on a development site, the average trip rate (6.907) will be applied to the development overall:

Daily Trip Rates per 100sqm:

Office (B1)	=	9.784 trips
Industrial Units (B2)	=	3.511 trips
Industrial Estate (B2)	=	7.427 trips

Average Employment Daily Trip Rate per 100sqm = 6.907 trips

Retail Development

- 5.7 In order to reflect the non-conventional peak nature of retail traffic, the tariff per daily trip will be set at half that of the residential and employment uses. This results in a tariff of **£200.50 per daily trip** for retail development.
- 5.8 Daily trip rates for retail development will be based on six retail sub-categories which are included at **Annex B**.

Trip Rate Related Reductions

- 5.9 These will apply in the following conditions:
- Retail and employment contributions will not be requested from development of less than 100sqm in area.
 - Where there is an existing vehicle trip rate associated with the site. The existing trip rate will also be determined using the table in **Annex B**: it will be subtracted from the proposal trip rate to produce the net trip rate, against which the tariff will be applied. If a site has been dormant for five years or more it will not qualify for any reduction due to existing trips.
 - Shared trips for multiple retail developments where they can be demonstrated through a Transport Assessment.

Identifying Cost of the Bedale Footpath and Cycleway Scheme

- 5.10 The estimated costs of the *Bedale Footpath and Cycleway* have been derived from the *Bedale Cycleway Feasibility Study (2010)* undertaken by Sustrans and verified by NYCC in relation to reaching the required standards for adoption by the highways authority. The study presents a scheme which stretches from Crakehall in the west to Leeming Bar in the east. However, for the purposes of meeting the requirements of Proposal BC3 of the Hambleton LDF, cost estimates for the section between Bedale town centre and Leeming Bar are being used to calculate the contributions tariff for the *Bedale Footpath and Cycleway*. On this basis, the total estimated cost is **£2,324,048**. This includes appropriate contingencies and the fact that the scheme is likely to be delivered over a period of time.

Tariff Calculation

- 5.11 The estimated cost of the *Bedale Footpath and Cycleway* is divided by the number of daily vehicle trips, from the identified, allocated new development to 2026.

Total Daily Trips

Residential

$$= 633 \text{ dwellings} \quad \times \quad 6 \text{ daily trips} \quad = \quad \mathbf{3,798 \text{ daily trips}}$$

Employment

$$= 6.907 \text{ (Ave. rate per 100sqm)} \quad \times \quad 18,900\text{sqm (35\% GFA of 5.4 hectares)} \quad = \quad 1,305 \text{ (189)}$$

$$1,305 \quad \times \quad \text{two thirds} \quad = \quad \mathbf{871 \text{ daily trips}}$$

Retail (Local Shop)

$$= 175.761 \text{ (daily trips per 100sqm)} \quad \times \quad 645\text{sqm (approx) (6.45)} \quad = \quad \mathbf{1,134 \text{ daily trips}}$$

$$\mathbf{\text{Total Daily Vehicle Trips (Allocated Sites)}} \quad = \quad \mathbf{5,803 \text{ daily trips}}$$

Contribution per daily trip:

$$\begin{array}{l} \text{Total (Estimated) Cost} \quad / \quad \text{Total number of daily trips} \quad = \quad \text{Cost per daily trip} \\ \text{£2,324,048} \quad / \quad 5,803 \quad = \quad \mathbf{£401} \end{array}$$

6 Applying The Tariff

- 6.1 The following worked examples demonstrate how the tariff will be applied.

Residential Contributions

To reflect Government requirements, as set out in Circular 05/2005 and the CIL Regulations (as amended) 2011 stating that obligations or contributions must be fairly and reasonably related in scale and kind to the proposed development, it is advised that a sliding scale of contributions is used when applications are submitted in more detail. The average dwelling generates 6 two-way daily trips; this has been applied to a 3-bed dwelling.

Smaller dwellings will generally generate fewer trips and larger dwellings generally more. As such, the sliding scale of contributions is as follows:

$$\begin{array}{l} 1\text{-bed dwelling} = 4 \text{ daily trips} \quad \times \quad \text{£401} \quad = \quad \text{£1,604} \\ 2\text{-bed dwelling} = 5 \text{ daily trips} \quad \times \quad \text{£401} \quad = \quad \text{£2,005} \\ \mathbf{3\text{-bed dwelling} = 6 \text{ daily trips} \quad \times \quad \text{£401} \quad = \quad \mathbf{£2,406}} \\ 4\text{-bed dwelling} = 7 \text{ daily trips} \quad \times \quad \text{£401} \quad = \quad \text{£2,807} \\ 5\text{-bed dwelling} = 8 \text{ daily trips} \quad \times \quad \text{£401} \quad = \quad \text{£3,208} \end{array}$$

Employment Contributions

Example: B1 Office Development of 400sqm on a Greenfield site = £10,426

400sqm	x	9.784 (daily trip rate per 100sqm)	=	39 daily trips
39 trips	x	two thirds (adjustment for linked trips)	=	26 daily trips
26 trips	x	£401	=	£10,426

NB: No reductions for existing use as a Greenfield site.

Total Contribution = £10,426

Retail Contributions

Contribution calculations and daily trip rates will vary dependent upon the specific retail development proposed. See Table B1: in **Annex B** for trip rates by retail type as informed by the TRICS database.

Example: A1 Retail (Local Shop) of 150sqm on a Brownfield site (formerly B2 Employment Land) = £49,724

Proposed Daily Trips:

Local Shop Daily Trip rate per 100sqm	=	175.761
Proposed Use (sqm)	=	150sqm
Total Proposed Daily Trips: (175.761 x 1.5)	=	<u>264</u>

Existing Daily Trips:

Industrial units (B2) Daily Trip Rate per 100sqm	=	7.742
Existing Use (sqm)	=	205sqm
Total Existing Daily Trips: (7.742 x 2.05)	=	<u>16</u>

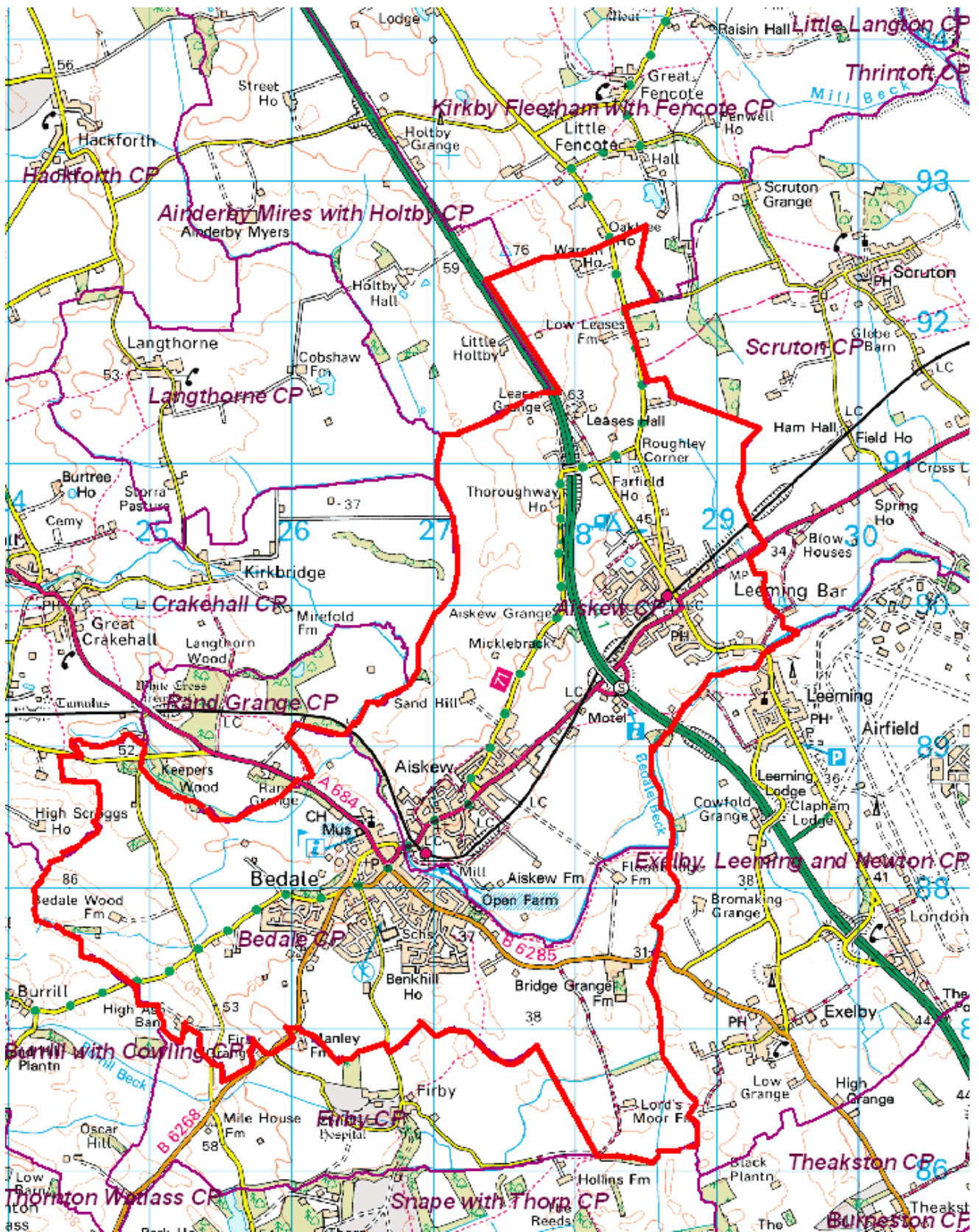
Net Generated Daily Trips (**264** – **16**) = 248 daily trips (net)

248 trips	x	(£401 x 0.5) (50% tariff rate) £200.50	=	£49,724
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Total Contribution = £49,724

Annex A: Proposed Contribution Zone for the Bedale Footpath and Cycleway

NB: Boundary marked in red – Aiskew and Bedale Parish Boundaries



Annex B: Retail Sub-Categories and Associated Trip Rates

Category	Retail Contributions Sub-Category	Daily Trip Rates per 100sqm
Category 1	Food Superstore	149.812
Category 2	Discount Food Store (inc. Cash & Carry)	74.764
Category 3	DIY	90.666
Category 4	Individual Non-Food Superstore (inc. Motorist DIY)	41.956
Category 5	Low Impact Uses (inc. Garden Centre and Builders Merchant)	12.484
Category 6	Local Shops (inc. Convenience Store)	175.761

**NB: Significant multi-use sites will be assessed on an individual basis.
Daily Trip Rates derived from the TRICS 2010 (b) Database**

Definitions:

- Category 1:** A single food superstore with or without a petrol filling station as part of the site. Examples include Morrison, Tesco and Sainsbury.
- Category 2:** A single discount food superstore offering customers cheaper food or a single cash and carry store which requires membership. Produce from both is often sold in bulk packaging. Examples include Aldi, Lidl, Makro and Costco.
- Category 3:** A non-food retail store specialising in DIY goods; this may include a garden centre sharing the same car park. Examples include Homebase and B&Q.
- Category 4:** All other single retail superstores not included in the above categories; this includes stores specialising in Motorist DIY goods. Examples include Halfords, Ikea, Curry's and PC World.
- Category 5:** All low impact generating uses; this includes local garden centres and builders merchants such as Jewson and Travis Perkins. This category may be used at HDC's discretion for uses it expects to be low impact in terms of generated vehicle trips.
- Category 6:** Includes a collection of small local shops within close proximity with shared parking facilities and small 'corner shop' stores, selling various items. Examples include Spar, Sainsbury Local and Co-op as well as local shopping centres.

Annex C: Anticipated (Gross) Indicative Contributions: Site Allocations in the Allocations DPD

Below is summarised the (gross) indicative contributions towards the *Bedale Footpath and Cycleway* anticipated from each of the relevant Hambleton LDF Site Allocations within the identified Contribution Zone. These calculations are based on the identified level of development set out within the LDF Allocations Document and do not take into account any daily trip generation arising from existing and previous on-site uses. These will be deducted to give the net contribution required.

Site		Gross Contribution (Indicative)	LDF Phase*
BM1	Bridge Street, Bedale	= £165,870	(Phase 1)
BH2	Pig Farm, Aiskew	= £91,428	(Phase 1)
BH3	South East of Aiskew	= £488,418	(Phase 1&2)
BH4	The Abattoir, Aiskew	= £192,480	(Phase 2)
BH5	Wilberts Farm, Sand Hill Lane, Aiskew	= £252,630	(Phase 3)
BH6	Lyngarth Farm, Bedale	= £180,450	(Phase 3)
BM2	North East of Aiskew House Pig Farm, Aiskew	= £178,580	(Phase 2)
BH9	South of Northallerton Road, Leeming Bar	= £36,090	(Phase 3)
BM4	Leeming Lane, Leeming Bar	= £164,350	(Phase 2)
BE1	North West of Leeming Bar Industrial Estate, Leeming Bar	= £258,645	N/A
Total (indicative)		= £2,008,941	

*LDF Phases: 1 = up to 2016; 2 = 2016-2021; 3 = 2021-2026

These calculations will also be supplemented by 'windfall' developments which will occur within the Contribution Zone during the LDF plan period (up to 2026) and which will also be liable to make contributions.



Hambleton District Council

Developer Contributions

November 2010

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1 Introduction

1.1 Purpose of the Report

- 1.1.1 Jacobs has been instructed by their client, Hambleton District Council (HDC), to develop a calculation for a tariff to capture developer contributions, towards highways infrastructure, in the Northallerton area. By identifying costs associated with development at the outset the requirements can be factored into development proposals at the earliest stage.
- 1.1.2 The importance of this issue is acknowledged by North Yorkshire County Council (NYCC) who are working towards an adopted County wide policy to capture developer contributions through the Strategic Transport Improvement Master Plan (STIMP).
- 1.1.3 This report details the background and methodology used in developing the calculation; it sets out the Council's requirements for retail, residential and employment developer contributions and supersedes the calculations set out in the Northallerton Northern Link Road Deliverability Report (2008).
- 1.1.4 It should be noted that this document does not negate the need for an early dialogue between the developer and the local planning authority, with regard to planning obligations.

2 Policy Review

2.1 National Policy

2.1.1 Government guidance, in the form of Circular 05/2005 ‘Planning Obligations’ advised that the adequacy of transport infrastructure is an important consideration in the granting of planning permission, and that transport improvements which are necessary in order for a development to take place can be made the subject of planning obligations, provided that the improvements are “relevant to planning, necessary to make the proposed development acceptable in planning terms, directly related to the proposed development, fairly and reasonably related in scale and kind to the proposed development, and reasonable in all other respects”.

2.1.2 The circular specifically encourages the application of a formulaic approach and standard charges as part of a framework for negotiating and securing planning obligations.

2.1.3 The Community Infrastructure Levy Regulations April 2010 provide an update to Circular 05/05 with Regulation 122(2) stating that:

“ A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is –

- (a) Necessary to make the development acceptable in planning terms;*
- (b) directly related to the development; and*
- (c) fairly and reasonably related in scale and kind to the development.”*

2.2 Local Policy

2.2.1 Hambleton District Council’s ‘Allocations Development Plan Document’ states that “financial contributions will be required towards the construction of the Northallerton Northern Link Road”. The document goes on to state, in Policy NM5F, that “the cost of constructing the Link Road will be met from developer contributions”.

3 The Need for a Tariff

3.1 Future Development

- 3.1.1 Significant levels of development are proposed in the Northallerton area in the period to 2026. This level of growth will require significant investment in local transport infrastructure and services in order to facilitate economic activity, as well as maintaining and enhancing local quality of life.
- 3.1.2 HDC has stated that 1,367 dwellings and 16.41ha of employment land are allocated in the Northallerton and Brompton area to 2026. These developments will have a substantial impact on an already congested transport network, particularly in the north of the town; it is therefore important that funds are secured which will contribute to maintaining and enhancing the transport network. Because many of the schemes will take time to implement, and cost more than it would be reasonable to charge a single developer, a transport tariff provides a clear and consistent approach to ensure all development contributes to the transport improvements in the area, in proportion to the impact the development is likely to have.
- 3.1.3 It is proposed that all development which creates additional travel demand on the network will be required to contribute; however, there are a small number of reductions and exemptions which are explained later in this report.

3.2 Future Transport Infrastructure Requirements

- 3.2.1 As part of the emerging Local Development Framework (LDF) a major development area is proposed for the north end of Northallerton. In order to meet the demands this and other future developments will place on the transport network, a Link Road is proposed for the north of the town.
- 3.2.2 The Northallerton Northern Link Road (“NNLR”) will be approximately 1.8km in length and will link Darlington Road, in the west, with Stokesley Road, in the east. The road includes a bridge crossing over the railway line and roundabout junctions with both Darlington Road and Stokesley Road.
- 3.2.3 The preferred Option 2 alignment, as set out in the NNLR Deliverability Report (2008), includes a road through the development site; this section of the Link Road will be funded by the developer. The remaining NNLR, to the east of the railway, including junctions with Northallerton Road and Stokesley Road and the bridge crossing are to be funded through Developer Contributions as set out in this report.
- 3.2.4 Although the Northallerton Northern Link Road NNLR is currently the only major infrastructure project specified for the Northallerton area, it is acknowledged that other areas of the network will require attention as a result of future development. As these are not yet specified it has not been possible to quantify their cost and as such the contribution tariff is based solely on the cost of the Link Road (£11,003,918). All contributions will be held in a ‘Strategic Transport Infrastructure Fund’ which will fund future transport improvements necessary as a result of development, including the NNLR.

4 Developing the Tariff

4.1 Assumptions

4.1.1 In developing the calculation for Development Contributions in Northallerton the following assumptions have been made:

- HDC has chosen to base the tariff on the future allocations set out for Northallerton and Brompton to 2026; in the future this may be revised to take account of the Northallerton Sub Area, as a whole.
- Daily trip rates have been used in place of peak hour trip rates; this supersedes the approach outlined in the NNLR Deliverability Report (2008). The use of daily trip rates ensures that all development contributes on an equitable basis, with specific emphasis on retail due to its non-traditional peak hours. This daily trip rate approach is in line with the emerging County-wide STIMP.
- As there is no set development allocation for retail development in Northallerton, the tariff has been calculated using residential and employment development with the full NNLR contribution coming from those uses.
- It is considered unlikely that 100% of residential and employment allocations will be brought forward by 2026; this is based on the allocations set out in the previous Hambleton Local Plan (1991 – 2006) of which 90% residential and 60% employment came forward in that time period. As such there is likely to be a ‘shortfall’ in financing the NNLR. Therefore, retail contributions will firstly be used to fund this potential shortfall; any additional revenue from Developer Contributions will be considered ‘windfall’ and will be added to the ‘Strategic Transport Infrastructure Fund’ which will be used for future improvements to the network as a result of development.
- In order to reflect the non-conventional peak nature of retail traffic it is proposed to set the tariff per daily trip for retail at half that of the residential and employment uses.
- All contributions will be based on the tariff being applied to the **net** increase in trips once any existing trips associated with the site have been discounted.

4.2 Identifying the Amount of Predicted Development

4.2.1 The development allocation, to 2026, for Northallerton and Brompton has been provided by HDC and is as follows:

- Residential: 1,367 dwellings
- Employment: 16.41ha (B1 & B2)

4.3 Identifying Vehicle Trip Rates

4.3.1 The total two-way daily vehicle trips associated with the varying types of development have been derived from the TRICS 2010 (b) database and are detailed below. TRICS is a database system which allows users to determine potential levels of trip generation for a wide range of development and location scenarios through the use of archived traffic counts.

Residential Development

TRICS demonstrates that the average two-way trip rate per dwelling is 6 per day. For the purposes of this calculation it has been assumed that all allocations refer to an ‘average’ dwelling, which has been taken to represent a 3 bedroom house; as such, each allocated dwelling has been calculated on the assumed basis of generating 6 daily trips.

HDC may, at a later date, decide to adjust this figure in accordance with detailed planning applications; should this be the case it is advised that the following scale is used to determine generated daily trips in line with Circular 05/05 which states that ‘obligations must be fairly and reasonably related in scale and kind to the proposed development’:

1-bed dwelling: 4 daily trips

2-bed dwelling: 5 daily trips

3-bed dwelling; 6 daily trips

4-bed dwelling; 7 daily trips

5-bed dwelling; 8 daily trips

Employment Development

Employment generated trip rates are based on an average of B1 and B2 uses, as is allocated in the Northallerton area; they are based on Gross Floor Area (GFA). It has been assumed that one third of the employment trips are linked to the new residential developments, and as such are already counted. Therefore, two thirds of the total employment trips have been used in calculating the tariff so as not to double count.

Daily trip rates per 100sqm:

Office (B1): 9.784

Industrial Unit (B2): 3.511

Industrial Estate (B2): 7.427

Average employment daily trip rate per 100sqm: 6.907

Total Daily Trips

In line with the above, the total two-way daily trip rates associated with the allocated development to 2026 are:

Residential: 6 daily trips x 1,367 dwellings = 8,202 daily trips

Employment: 6.907 (per 100sqm) x 164,100sqm = 11,334 x 2/3 = 7,556 daily trips

Total Daily Vehicle Trips = 8,202 +7,556 = 15,758

4.4 Identifying Cost of Transport Schemes

4.4.1 The NNLR is the only specified major infrastructure project for the Northallerton area, as such the contribution tariff is based solely on the cost of the Link Road which stands at £11,003,918 (2008 prices). This includes the appropriate recommended optimism bias factor due to the scheme being complex and delivered over a period of time.

4.4.2 The construction of the NNLR is necessary as a result of proposed future development; it has previously been demonstrated that the NNLR will have little effect on the operation of the rest of the local network but that it will absorb the impact created by the new North End developments. This is the rationale for basing the tariff solely on contributions from new development.

4.4.3 It is acknowledged that other areas of the network will require attention as a result of future development. As these are not yet specified it has not been possible to quantify their cost; therefore, any contributions above this level will be held in the ‘Strategic Transport Infrastructure Fund’ which will fund future transport improvements as a result of development.

4.5 Tariff Calculation

4.5.1 The cost of the NNLR is divided by the total number of daily vehicle trips, from the allocated new development to 2026.

Contribution per daily trip: £11,003,918 / 15,758 = £698

4.6 Retail Tariff

- 4.6.1 As there is no set allocation for future retail development in Northallerton it has not been included in the tariff calculation; therefore any contributions arising from retail development will be classed as ‘windfall’ and will be used firstly, to fund any shortfall in the NNLR funding as a result of 100% of allocations not coming forward, and secondly, as contributions to the ‘Strategic Transport Improvement Fund’.
- 4.6.2 In order to reflect the non-conventional peak nature of retail traffic, the tariff per daily trip will be set at half that of the residential and employment uses. This results in a tariff of **£349 per daily trip** for retail development.
- 4.6.3 Daily trip rates for retail will be based on six retail sub-categories; these are included at **Appendix A**.

4.7 Trip Rate Related Reductions

- 4.7.1 These will apply in the following conditions;
- Retail and employment contributions will not be requested from developments of less than 100sqm.
 - Where there is an existing vehicle trip rate associated with the site. The existing daily trip rate will also be determined using the table in **Appendix A**; it will be subtracted from the proposal trip rate to produce the net trip rate, against which the tariff will be applied. If a site has been dormant for five years or more it will not qualify for any reduction due to existing trips.
 - Shared trips for multiple retail developments where they can be demonstrated through a Transport Assessment.

5 Applying the Tariff

5.1.1 The following worked examples demonstrate how the tariff will be applied.

Retail Contributions

1. **Example: Low Gates Yard Proposal - Brownfield Site**

Proposed Daily Trips:

Individual Non-Food Superstore Daily Trip Rate = 41.956 per 100sqm

Proposed Use = 795sqm

Total Proposed Daily Trips: $7.95 \times 41.956 = \underline{334}$

Existing Daily Trips:

a) Motorist DIY Daily Trip Rate = 51.832 per 100sqm

Existing use = 205sqm

Motorist DIY Daily Trips = $2.05 \times 51.832 = \mathbf{106 \text{ daily trips}}$

b) Heating Centre Daily Trip Rate (using site referred to in TA) = 35.144 per 100sqm

Existing use = 240sqm

Heating Centre Daily Trips = $2.4 \times 35.144 = \mathbf{84 \text{ daily trips}}$

Total Existing Daily Trips: $106 + 84 = \underline{190}$

Net Generated Daily Trips

334 proposed use generated daily trips – 190 existing use generated daily trips

Net Generated Daily Trips = 144

Contribution

144 net daily trips x £349 retail tariff = **£50,256 Total Contribution**

2. Example: Discount Food Store – Greenfield SiteProposed Daily Trips:

Discount Foodstore Daily Trip Rate = 74.764 per 100sqm

Proposed Use = 1,450sqm

Total Proposed Daily Trips: $14.5 \times 74.764 = 1084$

Existing Daily Trips:

No existing trips.

Contribution

1084 daily trips x £349 retail tariff = **£378,316 Total Contribution**

Residential Contributions

In line with the revised approach of assessing daily trip generation as opposed to peak hour trip generation, this calculation replaces that set out in the NNLR Deliverability Report (2008).

To reflect government requirements, as set out in Circular 05/05 which states that 'obligations must be fairly and reasonably related in scale and kind to the proposed development, it is advised that a sliding scale of contributions is introduced when applications are submitted in more detail. The average dwelling generates 6 two-way daily trips; this has been applied to a 3-bed dwelling.

Smaller dwellings will generally generate fewer trips and larger dwellings generally more. As such the proposed sliding scale of contributions is as follows:

1-bed dwelling: 4 daily trips x £698 = **£2,792**

2-bed dwelling: 5 daily trips x £698 = **£3,490**

3-bed dwelling; 6 daily trips x £698 = **£4,188**

4-bed dwelling; 7 daily trips x £698 = **£4,886**

5-bed dwelling; 8 daily trips x £698 = **£5,584**

Employment Contributions

In line with the revised approach of assessing daily trip generation as opposed to peak hour trip generation, this calculation replaces that set out in the NNLR Deliverability Report (2008).

Example: B1 Office Development of 900sqm on a Greenfield site

900sqm x 6.907 trip rate = 62 daily trips

62 x 2/3 adjustment for linked trips = 41 daily trips

41 x £698 tariff = £28,618

No reductions for existing use.

Total Contribution: £28,618

Appendix A Retail Sub-Categories and Associated Trip Rates

Category	Retail Contribution Sub-Category	Daily Trip Rates per 100 sqm
Category 1	Food Superstore	149.812
Category 2	Discount Food Store (includes Cash & Carry)	74.764
Category 3	DIY	90.666
Category 4	Individual Non-Food Superstore (includes Motorist DIY)	41.956
Category 5	Low Impact Uses (includes Garden Centre and Builders Merchant)	12.484
Category 6	Local Shops (includes Convenience Store)	175.761

Definitions overleaf.

n.b. significant multi use sites will be assessed on an individual basis

Definitions:

- Category 1:** A single food superstore with or without a petrol filling station as part of the site. Examples include major food retailers such as Morrison's, Tesco and Sainsbury's.
- Category 2:** A single discount food superstore offering customers cheaper food or a single cash and carry store which requires membership. Produce from both is often sold in bulk packaging. Examples include major retailers such as Aldi, Lidl, Makro and Costco.
- Category 3:** A non-food retail store specialising in DIY goods; this may include a garden centre sharing the same car park. Examples include major retailers such as Homebase, Focus and B&Q.
- Category 4:** All other single retail superstores not included in the above categories; this includes stores specialising in Motorist DIY goods. Examples include major retailers such as Halfords, Ikea, MFI, Curry's and PC World.
- Category 5:** All low impact generating uses; this includes local garden centres and builders merchants such as Jewson and Travis Perkins. This category may be used at HDC's discretion for uses they expect to be low impact in terms of generated vehicle trips.
- Category 6:** Includes a collection of small local shops within close proximity, with shared parking facilities, and small 'corner shop' stores, selling various items. Examples include retailers such as Spar, Sainsbury's Local and Co-op as well as local shopping centres.