

**ABERDEEN CITY & SHIRE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

Date: 23 September 2011

Title: Delivering identified projects through a Strategic Transport Fund

1 Purpose of Report

1.1 The purpose of this report is to seek approval from the Strategic Development Planning Authority (SDPA) to undertake consultation on draft supplementary guidance on a strategic transport fund.

2 Background

- 2.1 The Aberdeen City and Shire Structure Plan was approved by Scottish Ministers in August 2009. At that time Ministers commented that the structure plan provided a suitable framework for the local development plans (LDPs) being prepared by both councils, but that further transport appraisal work would be necessary to gauge the impact of the LDPs.
- 2.2 The structure plan spatial strategy was predicated partly on transport corridors and the ability to provide more sustainable transport choices. However, it was clear on the need for investment from the public and private sector in new infrastructure to support growth (para. 3.8) and on the need for extra contributions where wider effects of development are felt (para. 5.8).
- 2.3 As the Aberdeen City and Aberdeenshire LDPs progressed towards the Proposed Plan stage, the SDPA and Nestrans, along with the two councils and Transport Scotland commissioned a cumulative transport assessment (CTA) of the sites identified in both LDPs up to 2023.
- 2.4 A key output from the CTA was the identification of areas where some form of intervention will be required to alleviate the congestion as a result of new development. These interventions will be required over and above the wide range of schemes committed to be delivered by the public sector in the coming years.
- 2.5 Given the public sector list of schemes to be funded, at this time projects in these newly identified hotspots can only be delivered through contributions from the development industry. The draft supplementary guidance found in Appendix 1 is a proposed mechanism for securing these contributions and enabling development to proceed.
- 2.6 In preparing this draft supplementary guidance a range of officers from the SDPA, Nestrans and planning gain have contributed, as well as planning and transportation colleagues in both councils. Engagement has taken place with numerous representatives of the house building and development industry and

informal views have been sought from the Scottish Government. The CTA and proposed supplementary guidance was discussed at the joint SDPA / Nestrans workshop on 25 March and the Members seminar on 11 June 2011.

3 The Cumulative Transport Appraisal (CTA)

3.1 Work on the CTA commenced in November 2009 with the aim of identifying the cumulative strategic transport impacts associated with the scale and distribution of development proposals. The study looked to 2023 and assumed that a wide range of committed schemes had been delivered by this date; these were:

- Strategic rail – improved Edinburgh-Aberdeen, Aberdeen-Inverurie and Aberdeen-Inverness services;
- Laurencekirk rail station and rail service changes (complete);
- Grade separation on the A90 at Findon (complete);
- A956 dual carriageway update (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.

3.2 With the scale of housing and employment development proposed, the CTA showed that the benefit of the above schemes would be eroded and that congestion would return to present day levels or worse at some ‘hotspots’, including on the A96, A944, A956 and A90 South. In order to mitigate the impact of new development, a series of potential road and public transport interventions were identified and tested. This showed that interventions at strategic locations would bring congestion back down to 2010 levels or better at many locations. Once a small number of local interventions were removed, a list of cumulative infrastructure requirements remained; these are shown in Table 1 below.

Table 1: Cumulative infrastructure requirements from the CTA

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

- 3.3 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.
- 3.4 However, the study did provide sufficient evidence that development from a range of sites in both council areas will impact on key parts of the transport network and therefore the most equitable solution to resolving this situation was to seek developer contributions from the substantial allocations for housing and employment land in the main growth areas; Aberdeen, the Portlethen to Stonehaven, Blackburn to Inverurie and Blackdog to Ellon corridors.
- 3.5 Supplementary guidance was determined as the best mechanism for securing the required contributions and a group of officers met in March 2011 to begin the process of preparing this.
- 3.6 A copy of the full Cumulative Transport Appraisal can be found at the following link: www.nestrans.org.uk/db_docs/docs/LDP_Cumulative_Appraisal_Final_Report.pdf

4 The Supplementary Guidance (SG)

- 4.1 The purpose of the SG is to enable the development allowances in the structure plan to be delivered and to provide a clear and transparent mechanism that provides some certainty to the development industry.
- 4.2 Without the planned delivery of some form of intervention in the identified areas, there is a real possibility that transport assessments prepared for specific sites or masterplan areas demonstrate an unacceptable impact on the transport network. Under the existing system, a single development could trigger the requirement for a multi-million piece of infrastructure that renders the entire site unviable.
- 4.3 The ability to spread expenditure on these costly projects across a wide range of sites in both council areas is seen as a proactive approach to a complex emerging problem, a real advantage to the development industry and an opportunity to facilitate improvement in transportation and accessibility, areas of genuine concern to a wide range of stakeholders.
- 4.4 As highlighted in para. 3.3 above, the package of identified intervention areas must be subject to much more appraisal before more detailed solutions and costs are known. Until that time, officers have produced an estimate of potential costs based on previous experience; these estimates can be found in Appendix 2 and have allowed a figure of £86.6million to be arrived at.
- 4.5 This is clearly a very substantial figure, but must be considered in the context of the scale of development that is likely to take place in the coming years. The structure plan allows for almost 35,000 homes in the strategic growth areas in and nearest Aberdeen up to 2023 and over 200ha of employment land. The impact of this amount of development could create significant transport related problems unless a solution is identified.

- 4.6 The solution proposed in the SG is to seek contributions from housing and non-residential development in the local development plans (LDPs), but it is also made clear that certain windfall proposals will be liable. The calculations proposed for housing have been based on a per unit price linked to the number of bedrooms (see Appendix 1, Table 1), with an average price of £2,064 per unit.
- 4.7 For employment uses, a per hectare contribution has been arrived at based on the Use Classes Order and weighted on the basis of relative land value and trip generation (see Appendix 1, Table 1). This has produced an average price per hectare of £62,010. An indexation approach is proposed that will link the current costs to the tender price index of construction costs on an annual basis.
- 4.8 These contributions will purely be for the delivery of identified strategic transport projects. Developers will continue to make appropriate payments towards local roads, education, affordable housing, community, waste and other necessary requirements as per the relevant policy or supplementary guidance in the LDP.
- 4.9 It is proposed to limit the risk to the development industry by deferring the payment of contributions. For residential developments this will allow completion of half of the units applied for before any monies are paid and thereafter quarterly based on completions. For mixed use or employment sites a similarly accommodating arrangement will have to be negotiated on a case-by-case basis with the planning gain team.
- 4.10 It is intended that the 'strategic transport fund' will be administered by Nestrans and that reviews and further assessment will be necessary in future years to ensure the correct areas are being targeted. The priorities for investment and delivery would be led by Nestrans in close consultation with all partners. Recommendations on preferred schemes would be reported to the Nestrans Board, the SDPA, the two councils and Transport Scotland as roads authorities.
- 4.11 The supplementary guidance would be non-statutory and linked to the current structure plan until the strategic development plan is approved by Scottish Ministers. It is worth noting that both the strategic transport fund and the identified transport interventions are addressed in the main issues report consultation as well.

5 Pre-consultation draft

- 5.1 The external consultation that has taken place during the preparation of the SG has included a meeting with representatives from Homes for Scotland (HfS) and the Grampian House Builders Committee (GHBC) in March and a presentation to the wider GHBC in April. Work had not commenced on writing the SG at this point and these discussions allowed some detailed points to be considered and built into considerations of the best mechanism to pursue.
- 5.2 A similar presentation was given to many of the key chartered surveyors working across the north-east in April 2011. This group also provided valuable

feedback and are influential as representatives of land owners and the development industry.

- 5.3 An offer was extended to both house builders and surveyors to have a representative on the group preparing the SG. This was declined on the understanding that we would attempt to address any questions that were raised and that a draft of the SG would be circulated for informal comment.
- 5.4 A series of questions were posed by GHBC and these were responded to at the same time that a pre-consultation draft was circulated at the end of July. Three weeks were given for those consulted to respond. Ten responses were received from house builders, their agents and from surveyors.
- 5.5 A number of positive comments were noted about the principle of what the SG was trying to achieve and the attempt at sharing cost more equitably, but a number of issues and concerns were raised and a summary of these can be found in Appendix 3. The main areas of concern were:
 - How the SG met the requirements of planning circular 1/2010 dealing with planning agreements;
 - Conformity with the structure plan and proposed local development plans (particularly in advance of adoption);
 - The early stage in identification of the preferred interventions and their costs; and
 - The requirement for contributions to a strategic transport fund in addition to all other developer contributions that will be sought.
- 5.6 The group preparing the SG had considered many of the issues raised during drafting of the SG and believe the pre-consultation draft was an appropriate response. However, some points of clarification have been added and a change has been made to the timing of payment to assist with development finance.
- 5.7 It is worth noting that a number of potential alternative mechanisms were suggested (some of which are identified as options in the main issues report). These included:
 - The councils and Scottish Government should fund the necessary infrastructure;
 - A means tested approach should be adopted and contributions based on a percentage of land value;
 - A single tariff for all planning gain should be pursued to provide more certainty for developers; and
 - Councils should look at development in the north-east like a giant BID, i.e. by facilitating new development the councils will benefit from higher amount of council tax and rates generated.

6 Consultation

- 6.1 Given the specialist nature of the supplementary guidance, the existing awareness of it within the development industry, and the need for quick progress so that it can be applied to new sites coming forward through the two local development plans, it is proposed to run a six week consultation in parallel with the main issues report from 7 October to 18 November 2011.

- 6.2 An advert will be placed in the Press and Journal newspaper and a notice placed on the 'tellmesotland' website as well as a press release being issued and details placed on the SDPA and Nestrans websites. Notification will also be given to all on the SDPA contacts database.
- 6.3 Following consideration by officers of all responses, it is proposed that a report will be brought back to the SDPA at its December meeting. Should the supplementary guidance be approved by the SDPA, this decision will be referred to the two councils, most likely in January 2012 with the intention of the guidance coming into effect almost immediately thereafter.

7 Recommendations

7.1 It is recommended that the SDPA:

- a) note the contents of this report and approve the draft supplementary guidance found in Appendix 1 for consultation;
- b) refer this report to the Nestrans Board for their consideration; and
- c) agree to receive a further report in December 2011 detailing the responses received to the consultation and any proposed amendments to the supplementary guidance.

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