

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	6 December 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Strategic Transport Fund
REPORT NUMBER:	EPI/11/337

1. PURPOSE OF REPORT

This report advises Members of emerging Supplementary Guidance to the Aberdeen City and Shire Structure Plan which proposes a mechanism for securing developer contributions to a Strategic Transport Fund which will enable the delivery of major strategic transport infrastructure and services required to support the growth of Aberdeen City and Aberdeenshire.

2. RECOMMENDATION(S)

It is recommended that Members:

- a) approve the proposed mechanism for the Strategic Transport Fund, as detailed in the draft Supplementary Guidance entitled 'Delivering Identified Projects through a Strategic Transport Fund', subject to the approval of this guidance by the Strategic Development Planning Authority at its meeting on 15 December 2011; and
- b) instruct the appropriate officers to report back to the January 2012 meeting of the Enterprise Planning and Infrastructure Committee on the decision of the Strategic Development Planning Authority in December 2011.

3. FINANCIAL IMPLICATIONS

The contents of this report refer to a proposed mechanism for securing developer contributions for the delivery of a package of strategic transport interventions required to support sustainable growth in the North East in the coming years. The approach is explained in the attached draft Supplementary Guidance (SG) and would place no additional burden on the Council as it would become an integral part of the development management process. The funding to be generated

from this SG would be held and administered by NESTRANS, the Regional Transport Partnership, and used by them to develop and deliver the package of strategic transport infrastructure and services identified. At this stage, this is a planned, long term initiative where the cost of these infrastructure and services has been distributed proportionately to new developments proposed in a specific area of the region. As such, it is anticipated that developer contributions will match the pace of delivery of new development and will be sufficient to meet the cost of the strategic transport interventions, including development and design costs. Therefore it is anticipated that there is very little financial risk to the Council.

The funds generated for the Strategic Transport Fund will not be able to be used for any other purpose than the delivery of those measures identified in the Cumulative Impact Assessment, or any subsequent review undertaken by NESTRANS in consultation with the City Council, Aberdeenshire Council and the Strategic Development Planning Authority.

There are no implications for approved Priority Based Budget options.

4. OTHER IMPLICATIONS

The draft Supplementary Guidance is currently subject to consultation and is being led by the Strategic Development Planning Authority (SDPA) to support the delivery of the Structure Plan. If approved by the SDPA in December 2011, this will require to be implemented by Aberdeen City and Aberdeenshire Councils as part of the respective Local Development Plans. The Local Development Plans for Aberdeen City and Aberdeenshire both make reference to the proposed approach in their own policies and/or Supplementary Guidance.

5. BACKGROUND/MAIN ISSUES

5.1 Reference is made to the NESTRANS report to their Board of 16th February 2011 on the Local Development Plans – Cumulative Impacts, wherein the Board agreed to congratulate the planning teams in both of the Councils for their work on this issue; and approve the recommendations which are as follows:

- note the discussions that have taken place amongst the Working Group;
- support the principles outlined above in relation to mechanisms for developer contributions;
- approve the proposal that Nestrans be the body to manage the fund for delivering strategic infrastructure and manage the processes for prioritisation and delivery;
- note the schemes listed in the appendix to the report; and

- refer this report to the two Councils for approval.

This report and approved recommendations were subsequently referred to the Enterprise Planning and Infrastructure on 15th March 2011 requesting that the Committee support the principles detailed in relation to mechanisms for developer contributions; and approve the proposal that Nestrans be the body to manage the fund for delivering strategic infrastructure and manage the processes for prioritisation and delivery. The Committee resolved:-

- (i) to approve the proposal in principle; and
- (ii) to request officers to submit a further report on the operational impact of the proposal, and seeking final approval of the project, to the Finance and Resources Committee.

A similar report was also considered and approved by Aberdeenshire Council's Infrastructure Services Committee.

- 5.2 Since that time transportation, planning and planning gain officers of Aberdeen City Council, Aberdeenshire Council, NESTRANS and the Strategic Development Plan Authority have worked closely together, and with colleagues in Transport Scotland, to refine this mechanism and prepare a draft Supplementary Guidance document. This group has also consulted with the development industry through the Grampian Housebuilders Committee, Homes for Scotland and a group of surveyors. This has helped to provide a close understanding of the approach proposed and ensures that those affected by the proposed approach are fully aware of the implications for their developments.
- 5.3 At its meeting on 23rd September 2011, the SDPA agreed the draft Supplementary Guidance document for consultation. The outcomes of this consultation, which closes on 18 November 2011, are due to be reported to their next meeting on 15th December 2011.
- 5.4 Attached at Appendix 1 to this report is the draft Supplementary Planning Guidance which details the need for the SG, how it will be applied to development, and how it will be used to deliver the necessary strategic transport interventions. The key points to note are as follows:
 - Analysis has shown that new development in the north east, proposed through the Structure Plan and emerging Local Development Plans, will have an impact on the region's strategic transport infrastructure and a defined package of transport interventions will be required to mitigate these impacts
 - This defined package is in addition to already committed strategic transport interventions such as the Aberdeen Western Peripheral Route

- All development (subject to criteria set out in the guidance) within both the Aberdeen Housing Market Area AND the Strategic Growth Areas identified in the Structure Plan will require to contribute to this fund – this includes all Aberdeen City Council owned sites that may be subject to future development
- The total estimated cost of the package of strategic transport measures at present day prices is £86.6M
- Contributions have been set at £2,064 per 3-bed house and £62,310 per hectare for Class 3 development with a sliding scale for different sized homes and different classes of business activity in the current year – it is recognised that these will require to be index linked to ensure that sufficient funds are generated in future years to enable implementation as necessary
- The above contributions have been set to create the funds necessary to delivery the required strategic transport initiatives, whilst minimising the impact of development viability
- Contributions will not be upfront – they will be agreed as proportional payments in arrears at specific triggers points as developments build out
- Contributions will go directly to the Strategic Transport Fund which will be managed and administered by NESTRANS for the delivery of the package of agreed measures
- Full and transparent monitoring and reporting of the fund, and review of the package will be routinely undertaken by NESTRANS (4 senior elected Members from Aberdeen City Council form part of the NESTRANS Board)
- The fund cannot be used for any other purpose, nor can it be used to supplement the funding needs of already committed transport projects
- Developers will still be required to mitigate any transport impacts identified from their developments at the local level to ensure that development is acceptable

5.5 Should this guidance be approved by the appropriate bodies, this will complement the suite of similar documents that Aberdeen City and Aberdeenshire Councils as Planning and Roads/Transport Authorities use in the development management process of implementation of our respective local government areas. There will therefore be no additional resource implication for the development management process.

- 5.6 The singular significant benefit of this guidance will be the ability of north east developers and local authorities in the north east to collectively work together to deliver the future strategic transport needs of our region to support continuing sustainable economic growth.

6. IMPACT

The contents of this report supports the emerging Local Development Plan and approved Structure Plan which by delivery will support the vision of Aberdeen becoming an even more attractive place to live and in which to do business. The proposed SG will also ensure that this future new development is supported by and contributes proportionately to the delivery of a continuously improving and fit for purpose strategic transport network, serving the needs of residents and businesses alike while complementing the on-going delivery of the Local, Regional and National Transport Strategies.

7. BACKGROUND PAPERS

Strategic Development Planning Authority Report – 23 September 2011 – Delivering Identified Projects Through A Strategic Transport Fund

<http://www.aberdeencityandshire-sdpa.gov.uk/nmsruntime/saveasdialog.asp?IID=881&sID=460>

Appendix 1 to above Report - Draft Supplementary Planning Guidance – Delivering Identified Projects Through A Strategic Transport Fund

<http://www.aberdeencityandshire-sdpa.gov.uk/nmsruntime/saveasdialog.asp?IID=882&sID=460>

Appendix 2 – Estimate of Costs for Intervention Areas

<http://www.aberdeencityandshire-sdpa.gov.uk/nmsruntime/saveasdialog.asp?IID=883&sID=460>

Appendix 3 – Summary of Responses to Pre-Consultation Draft Guidance

<http://www.aberdeencityandshire-sdpa.gov.uk/nmsruntime/saveasdialog.asp?IID=862&sID=460>

Enterprise Planning and Infrastructure Committee Report – 15 March 2011 - 8.10 3b Local Development Plans – Cumulative Impacts

<http://councilcommittees/mgConvert2PDF.aspx?ID=1906&T=10>

NESTRANS – Cumulative Impact Assessment

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

NESTRANS Board Report 16th February 2011 – Local Development Plans – Cumulative Impacts

http://www.nestrans.org.uk/db_docs/File/Board%20meeting%2C%2016%20February%202011/3b%20Local%20Development%20Plans%20-%20Cumulative%20Impacts.doc

9. REPORT AUTHOR DETAILS

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