Hampshire County Council

Transport Contributions Policy

A New Approach to Calculating Transport Contributions in Hampshire

September 2007

1 Introduction

1.1 For some time the County Council has been considering possible methods of calculating the level of transport contributions sought from development across the County in order to adopt a clear and appropriate policy. The aim of this policy would be to achieve the following:

- Clarity
- Certainty
- Fairness
- Accountability
- Wider support amongst users

2 Background

2.1 Transport contributions are one constituent of a wider remit known as 'planning obligations'. Planning obligations are secured under Section 106 of the Town and Country Planning Act 1990. Section 106 of the Town and Country Planning Act 1990 provides for 'payments of money, either of a specific amount or by reference to a formula, and require periodical payments to be paid indefinitely or for a specified period'. It is under this guidance that the Highway Authority negotiates and secures financial contributions from developers towards transport infrastructure or services to mitigate for the additional transport needs and burden imposed on the existing network.

3 Circular 05/2005

3.1 Circular 05/2005 provides guidance to local authorities on the use of planning obligations and was issued on 18 July 2005 by the ODPM to replace the Department of the Environment Circular 1/97. The Circular clarifies the basis on which planning obligations should be assessed in terms of their acceptability against policy and provides further guidance on the process of securing obligations. Planning obligations are 'intended to make development acceptable which would otherwise be unacceptable in planning terms'. Contributions are secured in order to militate against a development's impact or to encourage more sustainable transport practices.

3.2 There are five Policy Tests which planning obligations must meet. These are that the obligations must be:

- 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.

This guidance is in general accordance with that previously contained within Circular 1/97, although there are some substantive changes in approach as a result of Circular 05/2005.

3.3 The new guidance allows for the pooling of contributions. Where the combined impact of a number of developments creates the need for new or improved infrastructure, the guidance acknowledges that it may be reasonable for the associated developers' contributions to be pooled in order to allow the infrastructure to be secured and provided in a fair and equitable way.

3.4 The greatest, and possibly the most helpful, change to the guidance relates to the use of formulae and standard charges to calculate the level of contributions payable. It is stated that 'local authorities are encouraged to employ formulae and standard charges where appropriate, as part of their framework for negotiating and securing planning obligations'. These models can help to expedite negotiations and ensure predictability by indicating the likely size of contributions at the earliest possible stage. They can also promote transparency by making indicative figures public and assist in accountability in the spending of monies.

3.5 The guidance does, however, stipulate that standard charges and formulae applied to each development should reflect the actual impacts of the development and should comply with the Policy Tests, detailed in 3.2.

4 The Existing Arrangements within Hampshire

4.1 Until late 2004 Hampshire County Council was the body responsible for negotiating and collecting all transport contributions within the County. However, Highways Development Control Agency Agreements were signed with 10 out of the 11 districts within Hampshire which allow the respective planning authorities to secure transport contributions up to the sum of £50,000 (£100,000 for the Boroughs of Eastleigh and Basingstoke & Deane). Any contributions collected must be transferred to the County Council within 14 days of receipt in order that the money can be spent appropriately.

4.2 The County has largely relied on negotiating contributions on the basis of a Transport Assessment (TA) submitted in support of a planning application. In some cases, generally with residential developments, a figure per dwelling is informally applied to arrive at an estimated figure, which is then the subject of detailed negotiations with the developer. This approach leads to inconsistencies between the levels of contributions sought in different parts of the County and the method(s) used to derive each figure.

5 Outline of the proposed contribution policy

5.1 It is proposed to introduce a formulaic approach to calculating transport contribution across the County which will define the level of contribution which new development should contribute. This policy is designed to be applicable to developments of all sizes, from a single unit upwards. It is anticipated that this approach will be included in the Local Transport Plan and be adopted by each of the County's Districts.

5.2 The formula is proposed to be based on the transport impact of each development in accordance with Circular 05/2005. The basic measurement of transport impact will be quantified by the net increase in the of number of multi-modal trips that a development is expected to generate. A financial value will then be attached to each multi-modal trip

6 Multi-modal trips

6.1 A multi-modal trip rate per development will be derived from a schedule of trip rates produced by the County Council for residential uses and those in the B Use Class. For residential development, rates will be provided per dwelling size. These trip rates have been derived from the National Travel Survey and the National Transport Trends statistics of the Office of National Statistics and are, where possible, specific to the characteristics of Hampshire. The proposed schedule is included in Appendix 1. In the case of the B Use Class trip rates have been derived from the TRICS Database (Local Authorities database of trip rates).

6.2 Where development is proposed that does not fall within the Use Classes defined in Appendix 1 the multi-modal trip rates will be negotiated with the Development Control Engineer.

6.3 Where a site has a previous use, the net increase in multi-modal trips will be used to calculate the contribution. Where a site has been dormant for 5 years or more all traffic generated by a proposed new use of the site will be considered to be new to the network. This means that all multi-modal trips generated by the new development will be used to calculate the contribution.

6.4 The residential multi-modal trip rates apply to all residential developments within the County, regardless of size.

6.5 The employment multi-modal trip rates only apply to those developments which do not require a TA. Where a TA is required the agreed multi-modal trip rate will be used to calculate the contribution.

6.6 For all other types of development, for instance leisure, retail or a nursing home, the multi-modal trip rate will be determined by the TA or Transport Statement submitted with the planning application and the cost per trip used for the employment uses will be applied.

7 Residential Categories

7.1 The trip rates for residential uses have been derived from assumed household occupancy levels as shown in Appendix 1. However, there has been some debate on how to categorise residential units. It was considered too complicated to establish an occupancy level and trip rate for each separate type of residential unit and so grouping units according to the number of bedrooms is considered to be the most sensible way forward.

8 Financial value per trip

8.1 A financial value per trip for residential developments has been derived from the known cost of providing transport infrastructure required to serve new development. This takes the costs of providing the off-site transport infrastructure required to adequately serve new development in 2006 / 2007 transport mitigation packages at a variety of sites across the County[1]. These sites are the Picket Twenty Major Development Area in Andover, Barton Farm in

[1] Whilst a transport package has been agreed in relation to planning applications which have been submitted for development at these sites, it must be emphasised that not all of these sites have received planning permission and therefore the development will not necessarily go ahead and the contributions will only be secured by the County if planning permission is granted.

Winchester, Queen Elizabeth Barracks in Church Crookham and the West of Waterlooville Major Development Area near Havant, the details of which can be seen in Appendix 2. These sites are considered to represent a best practice approach to considering the holistic impact of new development on the transport network and are located in areas which are representative of the County's diversity.

8.2 The average cost per residential multi-modal trip from the Major Development Areas is £534. (rounded to £535) .

8.3 The same approach as above has been taken for the B Use Class. The financial value per trip has been used for developments that fall within the B Use Class from three major developments within Hampshire – Andover Airfield, Solent Business Park in Whiteley and Farnborough Business Park. The average cost per multi-modal trip from the major employment sites is £227. (rounded to £230). Details of these schemes is also included within Appendix 2.

8.4 The financial value per trip for each of the B Use Classes is considered to be applicable to all uses which fall outside of residential and the B Use Classes. The multi-modal trip rates for these developments will be agreed with the Development Control Engineer and the financial value will then be applied.

8.5 In general terms the level of contributions arrived at are in tune with those being collected from developments in adjoining counties but are significantly less than the Milton Keynes Tariff, adopted in 2003 as Supplementary Planning Guidance (SPG), which requires £18,500 per dwelling towards not only transport but improved physical and social infrastructure. It is hoped to develop a Hampshire County Council protocol in the future which will similarly cover all county functions in one contribution. A formulaic approach to transport contributions is also in line with the SE Plan strategy for ensuring the provision of the necessary infrastructure to support major new development.

9 Local weighting factor and economic viability

9.1 Considerable investigation was made into whether a local weighting factor should be applied to financial value per trip in order to reflect the economic differences between each district within Hampshire. It has been decided, however, not to apply a local weighting factor to the financial value per trip for residential developments. The reasons for this are firstly, that the trip rates set for each type of dwelling size will mean that in urban areas where development is denser with smaller units the contribution will be less than in a more affluent area where developments consist of mostly larger houses. Secondly, economic viability is not normally a factor in residential developments as it is considered to be the most profitable development type. Thirdly the cost to the County Council in providing infrastructure and services to mitigate impact is constant across the County, irrespective of local economic factors.

9.2 For developments other than residential, the economic viability of the site will be considered and there will be scope to negotiate from the starting contribution calculated using this policy. However, that case must be supported by the Planning Authority to demonstrate that there is a need for the development and

that the viability of the development will be put in jeopardy should the County Council insist on a level of contribution in line with the policy.

10 Future review of the costs

10.1 It is intended to use appropriate indexation to review and update the policy in forthcoming years. This indexation will be in line with that used to index the financial contributions within the S106 Agreements.

11 Section 278 Agreements and Travel Plans

11.1 Section 278 Agreements will identify the works required to access the site. If the package of works agreed includes some works which may be considered to have wider public benefit, for instance a section of cycleway, the cost of these works may be deducted from the contribution.

11.2 If a Travel Plan is produced and secured by way of a Section 106 Agreement with a bond, the elements of the plan that are bonded and may provide wider public benefit may be deducted from the contributions

12 Transport Assessments

12.1 Transport Assessments will still be required in accordance with the national guidance in Planning Policy Guidance Note 13 – Transport or any relevant successor government guidance to assess the impact and acceptability of new development proposals.

12.2 The trip rates contained within Appendix 2 of this document are for the purposes of the contribution tariff only. The trip rates for the purpose of a Transport Assessment will need to be negotiated and agreed with the relevant Highway Development Control Engineer.

13 What will the contributions will be spent on?

13.1 The contributions collected will be spent on improvements to transport and the highway developed through the Area Transport Strategies. The contributions menu, found in Appendix 4, outlines the type of schemes on which the County Council may spend the contributions collected.

13.2 The contributions will be allocated to schemes or transport improvements in accordance to the terms of the Section 106 Agreement and Circular 05/05, and will not be spent elsewhere in the County.

APPENDIX I

Trip Rate Matrix

Residential Use Class

Trips

	Walk	Bicycle	Car driver	Car passenger	Motor-cycle	Other private	Local bus	Surface rail/under ground	Other Public	All Modes
Commuting/business	20	5	122	19	2	1	14	12	3	198
Education/escort education	48	1	23	25	-	3	11	2	1	114
Shopping	51	2	87	44	-	1	17	2	2	206
Other escort	10	-	58	27	-	-	2	-	-	97
Personal business	26	1	46	26	-	1	7	1	1	109
Leisure	49	5	99	94	1	2	13	6	8	277
Other	41	-	-	-	-	-	-	-	-	42
All purposes	245	14	435	236	4	9	63	23	15	1,044

Source: National Travel Statistics – Transport Statistics 2006

Household Size	Walk	Pedal cycle	Car driver	Car passenger	Other private	Local bus	Rail	Other public	Annual Rate	Daily Trip Rate
1 Occupant	245	14	435	236	13	63	23	15	1044	**2.9**
2 Occupant	490	28	870	472	26	126	46	30	2088	**5.9**
3 Occupant	735	42	1305	708	39	189	69	45	3132	**8.7**
4 Occupant	980	56	1740	944	52	252	92	60	4176	**11.6**

Employment Use Classes

Use Class	Multi-Modal Trips (per 100 sqm)
B1 Business	18.7
B2 General Industry	7.5
B8 – Warehouse and Distribution	9.4

Source: TRICS Database 2007(a)

APPENDIX 2

Transport costs associated with Hampshire Major Development Areas

Picket Twenty MDA in Andover

1. **Cost per dwelling**
   Total cost of transport infrastructure needed to serve the 1,200 dwelling development = £5,672,050 = **£4,727 per dwelling**

2. **Cost per trip**
   1,200 dwellings x 7 multi-modal trips a day = 8,400 trips a day

   To find cost per trip divide total transport cost by total multi-modal trips

   i.e. £5,672,050 / 8,400 = **£675 per trip**

West of Waterlooville MDA

1. **Cost per dwelling**

   Residential
   2,000 dwellings x 7 multi modal trips a day = 14,000 trips per day

   Employment
   30ha employment (115,216 sqm) x 12.79 multi-modal trips per 100/sqm = 14,736 trips per day

   (N.B – Employment uses varied across B Use Class. Appropriate trip rate was agreed with Development Control)

   Total multi-modal trips for the site = 28,736 trips

   Residential portion = 14,000 / 28,736 = 49% of the transport demand from the site and so £10,769,600 x 49% = £5,277,104

   Proportionate cost of transport mitigation package required to serve the 2,000 dwellings is £5,277,104 = **£2,639 per dwelling**

2. **Cost per trip**
   To find cost per trip divide the proportional transport cost by number of residential multi-modal trips

   i.e £5,277,104 / 14,000 = **£377 per trip**

Barton Farm in Winchester

1. **Cost per dwelling**
   Total cost of transport infrastructure needed to serve the 2,000 dwelling = £6,055,000 = **£3,028 per dwelling**

2. **Cost per trip**
   2,000 dwellings x 7 multi-modal trips per day = 14,000 trips

   £6,055,000 / 14,000 trips = **£433 per trip**

Queen Elizabeth Barracks, Church Crookham

1. **Cost per dwelling**
   Total cost of transport infrastructure needed to serve the 1,055 dwelling development = £4,800,000 = **£4,549 per dwelling**

2. **Cost per trip**
   1,055 dwellings x 7 multi-modal trips per day = 7, 385 trips per day

   £4,800,000 / 7,385 = **£649 per trip**

Andover Airfield Business Park

1. **Cost per square metre**
   Total cost of transport infrastructure needed to serve the 69,000 square metre business park development = £2,900,000 = **£42 per square metre**

2. **Cost per trip**
   69,000 square metre business park x 18.7 multi modal trips per 100/sqm = 12,903 trips per day

   To find cost per trip divide total transport cost by total trips

   i.e. £2,900,000 / 12,903 trips = **£225 per trip**

Solent 2 Business Park Whiteley

1. **Cost per square metre**
   Total cost of transport infrastructure needed to serve the 35,656 square metre business park development = £1,150,000 = **£32 per square metre**

2. **Cost per trip**
   35,656 square metre business park x 18.7 multi modal trips per 100/sqm = 6,668 trips per day

   To find cost per trip divide total transport cost by total trips

   i.e. £1,150,000 / 6,668 trips = **£172 per trip**

Farnborough Business Park

1. **Cost per square metre**
   Total cost of transport infrastructure needed to serve the 155,000 square metre business park development = £8,190,000 = **£53 per square metre**

2. **Cost per trip**
   155,000 square metre business park x 18.7 multi-modal trips per 100/sqm = 28,985 trips per day

   £8,190,000 / 28,985 trips = **£283 per trip**

APPENDIX 3

Calculating contributions

C3 - Residential	Cost per Trip (£)	Household Occupancy	Multi-Modal Trips (per dwelling)	Cost per dwelling (£)
1 Bed Dwelling	535	1.3	3.7	1980
2-3 Bed Dwelling	535	2.42	7.0	3745
4+ Bed Dwelling	535	3.5	10.2	5457
B - Employment	**Cost per Trip (£)**		**Multi-Modal Trips (per 100sqm)**	**Cost per 100 sqm (£)**
B1 Business	230		18.7	4301
B2 General Industry	230		7.5	1725
B8 Warehouse & Distribution	230		9.4	2162

APPENDIX 4

Suggested Menu for Transport Schemes and Initiatives Suitable for Funding by Developers Contributions

Contributions Menu

LTP:

Schemes which are in the LTP. For example:

- Town centre accessibility projects (e.g. Andover)
- Quality Bus Partnerships
- Rail interchanges (e.g. Farnborough)

Safety Engineering:

Junction alterations
Signing and lining schemes
Surface Treatments
Chicanes
Road Narrowing

Passenger Transport:

Bus Service contributions
- Maintain a service
- Increase the Frequency of a service / Formalise services
- Implement a new service or new stop / section to an existing route.

Bus Shelters
Bus Stop poles
Timetables on bus stops
Information points -ITS

Cycling and Pedestrian schemes:

Shared surfacing, cycleways (on and off carriageways), footways
Cycle Storage - rail, bus stations, places of work and shops etc
Cycle maps and information - indicating cycle facilities (shops, lockable areas, travel information)
Cycle interchanges - improving access to cycles at rail stations etc
Cycle training for children
Traffic speed reduction
City bikes, bike stations, bike bridges
Signing of cycle routes
Pedestrian crossings – refuges, dropped kerbs.

Traffic Management:

Major Elements:
Son of SHRT
Junction Improvements
Capacity improvements
Junction Changes
Route Capacity Improvements
Major highway schemes

Major public transport infrastructure improvements

Minor Elements:

TROs
Residential parking schemes
Physical measures in support of existing or proposed TROs
Traffic signs improvements
Real time travel information - ITS
Vehicle speed indication signs
Pavement parking controls
Pedestrian/cycle crossing
Safety schemes - school zones, home zones, traffic calming for environmental and safety purposes

ITS:

CCTV
Upgrading traffic lights and crossings
Real time information and information points
Bus priority measures (bus gates etc)

Safer Routes To School:

Park and walk
Parents waiting shelters and cycle shelters in school grounds
Footways, cycleways, bridges
Pedestrian and cycle crossings
Coloured surfaces, anti-skid
Information and maps
Incentive schemes (e.g. prizes for pupils)
Yellow jackets etc.
Traffic calming and management
Flashing amber lights with a school sign

Travel Plans:

Incentives : Bus vouchers, Cycle vouchers, travel discounts.
Personalised Travel Plans
Car clubs
Monitoring of impact of development using counters etc.