

## Report for Resolution

**Report to** Executive  
23 July 2008

**Report of** Director - Regeneration and Development

**Subject** Norfolk County Council- Draft Standard Transport Charge-  
Consultation

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### Purpose

Norfolk County Council has published a draft Standard Transport Charge (STC) for consultation - the deadline for comments is 31<sup>st</sup> July 2008. This report sets out a recommended response to the STC on behalf of Norwich City Council.

### Recommendations:

Executive is asked to:

1. Endorse the response to the proposed STC set out in paragraphs 5-12 in the report;
2. Respond to Norfolk County Council with these comments;
3. Inform Norfolk County Council that the City Council is not willing to apply the proposed STC to developments in Norwich at the present time.
4. Inform the County Council that the City Council's preference would be to apply the City Council's approach to transport contributions in the short term in the Norwich Policy Area until a more comprehensive approach is developed through the Community Infrastructure Levy or tariff in the longer term.

### Financial Consequences

There are no direct financial consequences for the City Council. However if the County Council introduce the STC as currently proposed it could lead to problems in securing other transportation benefits for the City in line with current Local Plan Policy and SPD and impact on other developer contributions as well as potentially affecting the viability of some development.

### Strategic Objective/Service Priorities

The report helps to achieve the corporate objective: strong and prosperous city and service plan priority- provide realistic sustainable transport options

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**Executive Member:** Councillor Morrey

**Ward:** (All)

**Contact Officers**

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**Background Documents**

Norfolk County Council Standard Transport Charge- Consultation Draft June 2008;

City of Norwich Replacement Local Plan, November 2004;

Transport Contributions SPD – draft for consultation, January 2006

Planning Obligations Practice Guidance, DCLG, July 2006

The Community Infrastructure Levy, DCLG, January 2008.

## Report

### Norfolk County Council- Draft Standard Transport Charge- Consultation

#### Introduction.

1. Norfolk County Council has published a draft Standard Transport Charge (STC) for consultation. The intention of the STC is to secure developer contributions towards the cost of Norfolk's strategic transportation network and assist in catering for development growth. The STC would be payable to the County Council in the same way as current standard charges for education, libraries etc. The charges are based on the potential transport schemes needed to support planned housing and employment growth. The proposed STC would supplement the existing s.106/278 process- looking beyond the more site specific requirements of development and would apply to all types of development (although the draft STC suggests a threshold of 25 dwellings would apply in the City). The consultation proposes 3 options for the calculation of the standard charge:
  - **Option 1** - includes a range of transport schemes such as: bus priority schemes; public transport interchanges; cycling schemes; market town walking and cycling schemes and local road schemes. (The list of schemes is indicative at this stage). This option would involve a single charge being applied across the County as a whole (approximately £2,700 per dwelling plus commensurate levels for non-residential development).
  - **Option 2** - includes all the above schemes plus major schemes such as: the Long Stratton Bypass; the Norwich Northern Distributor Road (NDR); the Third River Crossing in Great Yarmouth; and the proposed A47 / A 1067 link road (West of Norwich). This option again would involve a single charge being applied across the County as a whole (approximately £5,700 per dwelling plus commensurate levels for non-residential development).
  - **Option 3** - Under this option it is envisaged that any shortfall in Growth Point funding would be met by the provision of either: (a) an additional charge to the proposed STC over and above the levels set out in Options 1 or 2 (i.e. a supplemental STC in the Growth Areas); or (b) a separate STC within the Growth Areas (i.e. to cover all transport infrastructure). In the case of the Greater Norwich Growth Point area this could require an additional charge (over and above) those set out in options 1 and 2 of approximately £2,100.
2. The County Council is requesting views on which of these options, or combination of options, should be taken forward.
3. All options are based on the trip generation of the development, with the contribution reduced or increased as a result of local provision of transport facilities and accessibility. An accessibility score is assigned based on bus and rail service provision e.g. a development within 400m of a bus service at 15 min frequency and within 1 km of rail services at 30 min frequency would only have to pay 75% of the STC.

4. Whilst payments would be made to the County Council, 75% would be spent on “local” schemes and 25% for strategic projects. It is assumed that the STC would be enshrined in the Local Development Frameworks (LDF’s) of the local authorities.

### **Proposed response to STC.**

5. The City Council has applied a standard approach based on developer contributions for transportation for development within the City since 1992. This has been successful and is generally accepted by developers as providing a fair and transparent approach to addressing the transportation consequences of development. As a principle, the City Council would welcome the concept of introducing a transportation contribution within the whole of the Norwich Policy Area to provide a consistent approach based on the Norwich Area Transportation strategy (NATS) which aims to accommodate growth in the number of trips by means other than the car. This would be in line with the Council’s own policy. Whilst supportive of the principle there are some concerns about the proposed means of introducing the STC and the methodology.
6. The County Council wishes to introduce the STC through a partnership approach as it can only be introduced if district councils adopt the approach. At this stage there has been some discussion with district councils but no agreement has been reached.
7. There is concern about the lack of policy basis on which to support the introduction of the STC, at present. There is does not appear to be any rationale for the City Council applying the STC in place of the existing policy. There is no mechanism to amend the existing Local Plan Policy- any change would need to be made through the emerging Core Strategy.
8. The County Council paper refers to the proposed Community Infrastructure Levy (CIL). At present the government has not made a decision about the introduction of the CIL and to do so would require a change in legislation, which is not likely to be enacted until at least 2009. In terms of current legislation, there is concern that the STC could be subject to challenge. If the CIL is introduced nationally, it cannot be applied in Greater Norwich until there is a clear policy framework in place. This will be introduced through the adoption of the Greater Norwich Core Strategy, (i.e. by 2010) and would be based on a comprehensive assessment of **all** infrastructure required to cater for the jobs and housing growth in Greater Norwich, taking account of funding secured through other programmes. The STC does not make clear how the total costs of schemes has been derived and what allowance is made for other sources of funding. It is considered that the current STC is premature, pending work the introduction of the CIL.
9. The CIL or tariff would be developed in consultation with developers and would be market tested to ensure that it did not adversely affect scheme viability. The proposed STC appears extremely high and may be difficult to justify. (The City Council currently charges £282 per dwelling). It is suggested that in the same way as proposed with the CIL any STC should subject to economic testing to understand the impact that the proposed charge would have on development. This would allow for the possibility of a variation in

charges to deal for example with constrained or brownfield sites. In addition there needs to be flexibility to deal with situations where an existing use already has an impact on transportation –developers can only be expected to contribute towards the increase in impact proposed through new development

10. The County Council proposes to review the STC on an annual basis. It is accepted that review is needed but given that other charges will also be reviewed e.g. school contributions, the changes overall could make a big impact on scheme viability and will increase uncertainty for developers. Any review would need to take account of the total developer contributions sought.
11. Norwich City Council officers have offered considerable advice about the methodology of the STC in order to share the considerable experience built up in applying its policy. The Council's approach is embodied in the transportation policies in the City of Norwich Replacement Local Plan and was developed originally in 1992. Details are now set out in the Transport Contributions SPD – draft for consultation, January 2006. The methodology has been tested and upheld on appeal. There are some detailed concerns about the methodology of the proposed STC (set out in Appendix 1), which could leave it subject to challenge.
12. In terms of the options proposed, none are considered acceptable to the City Council at the present time:
  - Option 1 is considered to be workable but there would be no benefit in applying it in the City as transportation impact is already addressed through existing SPD and contributions. Applying the STC could be seen as double counting. There would however be some benefit in applying the City Council's approach to other districts in the Norwich Policy Area.
  - Option 2 is not considered to be workable as it implies that developers in Norwich would pay towards schemes elsewhere in the County e.g. in Yarmouth and for development potentially to fund the full costs of any funding gap for these schemes, without justification
  - Option 3 appears to move further towards the CIL but without addressing all infrastructure needs, so is considered premature.

The preferred approach would be, in the short term, for the current City Council approach to transport contributions to be applied at least in the Norwich policy area and use the proposed CIL to apply a more standard tariff in the longer term.

## Appendix 1. Detailed Technical Comments

- It is unclear what the charge is intended to support, in particular how it relates to overall transport programmes that aim to address existing issues, and non-development related traffic growth. Circular 05/05 requires that any charges should be an indicator of the level of costs likely to be sought for the provision of infrastructure necessitated by new development and should not be a tax on developers to address existing deficiencies. The methodology is not clear about the funding that will contribute to transportation schemes through existing Council and other funding programmes but assumes development will bear the cost of any existing funding gap for transportation schemes. The link between development and need is therefore not clear.
- It is unclear whether all the schemes which are intended to be paid for under the STC will be delivered in the period- up to 2021 to tie in with housing growth figures which therefore throws into question whether the STC based on these schemes can be justified.
- The City Council's commuted payment methodology is based on a policy of nil traffic growth- and the Transportation SPD focuses on provision of alternative transportation measures to mitigate any increase in traffic that might otherwise arise from the development. The County Council's proposed methodology is entirely inconsistent with this approach as it is based on the total cost of new highway infrastructure.
- It is unclear whether the County Council intends the policy to be applied in addition to the existing City Council commuted payments. There is not considered to be any justification for this as developers in the City are already paying to mitigate the impact of their development.
- There is inconsistency about the proposed thresholds. The County Council proposes to apply the charge to all developments over 25 dwellings and yet the charges are based on the transportation impact of **all** development in the County. This means that larger developments will be bearing the cost of the transportation consequences of smaller development. In addition the proposed threshold is inconsistent with the City Council's current policy which applies to development over 10 dwellings.
- The proposed split between local and strategic schemes on which the payments are due to be spent seems completely arbitrary. There clearly does need to be justification for this but the % split proposed does not appear to relate to the options, i.e. under Option 2, and assuming all major schemes are strategic there would be insufficient 'strategic' contribution to pay for these as major schemes represent more than 50% of the cost. The split needs to relate to the basis on which the charge is calculated.
- The description of good access on which the rates of payment are based is also arbitrary. Rail access is likely to be irrelevant in most cases whereas accessibility by bus plus access for pedestrians and cyclist would be more appropriate. The subdivisions do not reflect reality e.g. under the proposed STC, inner Norwich suburbs will come into the "fair" category, whilst outer Cromer suburbs (for example) would fall into the "good" category. These

need to be based on a more thorough analysis of real accessibility and actual travel behaviour. Any differentiation should support development in town centres.

- The trip generation calculations are based on TRICS which is a reliable source of data. The STC is based entirely on trips generated by car and not alternative modes. TRICS data has only been used for housing development and not other types of development. TRICS provides relatively sophisticated data which could be used to demonstrate typical car trip rates for various developments in different types of location. This would be more reliable than some of the assumptions adopted by the County Council, which appear somewhat random and may lead to some double counting in the methodology:
  - no account has been taken of the level of parking provision in a development, i.e. if there are low levels of parking, there are likely to be fewer trips by car and therefore less infrastructure demands.
  - any adjustment factors should provide greater differentiation based on location and travel behaviour e.g trip generation of City Centre developments is less than half that of outer area development, which in turn is about half that of rural development. Trip generation needs to take account of the fact that most urban dwellers make most of their trips within the urban area
  - two trips for offices seems arbitrary and excludes visitor and operational trips. On other hand the trips to and from work associated with e.g. offices will already have been paid for as part of the housing requirement.
- Introducing a split for expenditure based on current district council boundaries is not considered appropriate- it would be more logical to base this on functional urban areas. Currently Broadland and South Norfolk districts would gain at the expense of the City as they would retain 75% of contributions for use on schemes within their areas when development is likely to impact on the City.

Further analysis is required to give a more robust justification for the STC.