

Developer Contributions towards Strategic Transport Improvements at Malton and Norton (Interim Version).

Initial Consultation to guide a future Supplementary Planning Document

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1. Introduction

1.1 Ryedale District Council intends to produce a Supplementary Planning Document to assist in securing financial contributions from developers towards the funding of strategic transport infrastructure improvements to serve Malton & Norton. The document will establish:

- the level of contributions that will be sought
- the projects on which money will be spent
- the size and type of developments from which contributions will be sought and,
- the way in which this will be secured and administered through the planning process.

1.2 Before we prepare a draft of the document, we are very keen to get your views (and particularly those of developers and landowners) on some of these key issues.

1.3 This consultation document sets out the rationale for seeking financial contributions for strategic transport improvements in Malton and Norton. It also proposes a methodology for calculating payments and suggests ways in which monies will be secured and administered.

1.4 **Developer Contributions are normally offset against land values. We are keen to develop a fair, consistent and transparent approach to collecting contributions. Therefore, we urge anyone with an interest in land and development in and around Malton (including Old Malton) and Norton to read this document carefully and to provide us with your views.**

1.5 The District Council is currently preparing a new Development Plan for Ryedale, known as the Local Development Framework. This will be a collection of documents that, together, provide a planning framework for the District up to 2021. As part of this process, we will closely align our approach to seeking developer contributions to the scale and timing of new development in different areas.

1.6 It will be 2009/10 however, before the Council will be in a position to adopt key elements of the new Local Development Framework. Clearly development will continue to come forward in Malton and Norton in the meantime. Therefore, the proposed SPD will act as an interim policy document, supporting Policy T3 of the Ryedale Local Plan, until such time as it is replaced.

1.7 The proposed SPD will be used to collect/pool developer contributions for **strategic** highway improvements. It should be noted that developers would still be expected to ensure that local transport issues associated with a development,

such as vehicular, pedestrian and cycling access, are fully addressed as part of any application.

It is a legitimate role of a planning authority to seek to negotiate contributions from developers to mitigate the impact of development, where this is necessary.

2. Why is it necessary to collect contributions for strategic highway improvements?

- 2.1 Malton and Norton is the Principal Service Centre serving Ryedale. A key element of regional planning policy as well as existing and emerging policy is to build on and enhance this role. Malton and Norton will be the primary focus for new development in Ryedale until 2021 (and potentially beyond) and as such, the majority of new homes, employment and commercial activity will be located in or adjacent to the twin towns. The precise level of new development is yet to be determined, but as a guide at least 50% or 1750 new homes will have to be accommodated in or around Malton and Norton. It is vitally important this development is accommodated in a way that enhances the quality of life and well being of local residents and enhances business vitality and economic competitiveness.
- 2.2 Against this, the Malton and Norton Transportation Strategy, prepared in 2005 by North Yorkshire County Council, concluded that much of the central road network through Malton and Norton (in particular the Yorkersgate - Butcher Corner - Castlegate - County Bridge - Church Street route) is operating at or above capacity during certain hours of the day.
- 2.3 Congestion and heavy volumes of traffic lead to regular delays, hamper redevelopment and impact upon the quality of the town centres. Traffic increasingly detracts from the pedestrian and shopping experience in both Malton and Norton and is, therefore, potentially damaging to their long-term commercial vitality. Furthermore, the situation is causing air quality problems. At Butcher Corner, for example, a worsening of the situation is increasing the likelihood of an Air Quality Management Zone being declared.
- 2.4 This congestion now means that additional traffic cannot be successfully accommodated on the existing road network. As a result, planned levels of growth will require major transport improvements.
- 2.5 From the comprehensive research undertaken as part of the Malton and Norton Transportation Strategy, which included extensive origin and destination survey work and the development of a detailed traffic model, it is clear that significant elements of the traffic in the two town centres have origins and destinations beyond the towns, and can therefore be termed 'through traffic'.

2.6 The fundamental reason for the high levels of through traffic is that 2 of the 3 junctions that link the two towns with the adjacent A64 trunk road have been constructed in such a way that prevents certain turning movements. This forces traffic that would otherwise by-pass the town centres to travel through them.

The current limitations of the two existing junctions can be summarised as follows:

- At the Musley Bank junction to the west of Malton, traffic leaving Malton cannot join the eastbound A64, and traffic coming from the Scarborough direction on the A64 cannot leave the trunk road.
- At the Brambling Fields junction to the east of Norton, eastbound traffic cannot leave the A64, meaning that traffic for Norton (the largest of the twin towns and the location of the largest employer in the District) has to travel through Commercial Street and Church Street in Norton and the narrow historic streets of Malton.

3. What can we do to improve congestion and capacity?

3.1 The Malton and Norton Transportation Strategy concluded that five strategic highway improvements would, if implemented with a complimentary package of traffic management measures in the two towns, lead to significant improvements in town centre road capacity. This would mean that major new developments in the two towns could be accommodated without significantly exacerbating the existing situation. The five improvements, listed in priority order are:

- A64 Brambling Fields off slip road .*
- A64 Musley Bank eastbound on slip and westbound off slip roads.*
- A64 Broughton Road junction – provision of all movement junction
- Beverley Road Link – provision of a direct link between Beverley Road and Scarborough Road through Norton Grove Industrial Estate.
- Woolgrowers Link – Provision of a new link road between York Road and Welham Road via the Woolgrowers Site.

* these projects would need to be complimented with traffic management measures in the two town centres to effect bans on HCV movements, to introduce 20mph zones with associated 'physical' measures and to improve pedestrian and cycling facilities.

3.2 Clearly each of these represents a major infrastructure project and as a package they will not be delivered easily or quickly, particularly as there is very limited public money available to undertake such works.

3.3 As a result, the District Council and Highways Authority (North Yorkshire County Council) will, over the current development plan period (2004-2021) address the package of measures identified in the Transportation Strategy through the new Local Development Framework (LDF), to bring forward these schemes in a way that mitigates the transport impact of new development.

- 3.4 Preparation of the new Local Development Framework will take a number of years and the central road network in Malton and Norton is already at or above capacity. It is crucial that we establish the approach to securing developer contributions to these key infrastructure projects now. In this way it will be possible to accommodate development in Malton and Norton over the whole period of the LDF.
- 3.5 The proposed SPD, as an interim policy document, will establish the approach to securing financial contributions towards the A64 junction improvements at Brambling Fields and Musley Bank. Together, these are the strategic improvements that were identified as the top two priorities for future action in the transportation strategy, in view of the fact that they would have the most immediate and profound effect on traffic flows and capacity. Both the District Council and the Highways Authority are of the opinion that the delivery of both of these junction improvements is necessary at the earliest possible stage within the next 10 years to cater for the planned growth of the Twin Towns.
- 3.6 The current estimated combined cost of both junction improvements is almost £7 million pounds. The Highways Agency has stated that it is unable to fund any of the improvement required to the Brambling Fields junction. This is because it considers the benefits to be related primarily to the local road network, and not to the A64 itself. The Agency is currently assessing a junction improvement scheme at Musley Bank but recent feedback indicates that this is very unlikely to receive full financial support, although discussions are ongoing regarding the potential for a Highways Agency 'contribution' to costs. The shortfall in the cost of upgrading these junctions will have to be covered through developer contributions together with any public sector input, in order for the vital schemes to be implemented. Ryedale District Council has funded initial design work to identify a preferred approach to upgrading the Brambling Fields junction and, in the current financial year (2007/08), will jointly fund detailed designs for the junction improvement with North Yorkshire County Council. Even with further financial contributions from the two Authorities towards the costs of implementing the junction upgrading, the financial reality is that there is a substantial gap that can only be funded by developer contributions.

4. How should we calculate what a developer should pay?

- 4.1 We are keen to devise a method for calculating contributions that can be applied consistently and related to the impact a proposed development will have on traffic levels in the towns.
- 4.2 It is evident from the Transportation Strategy and the Malton and Norton Traffic model, that the key junction that controls capacity of the highway network within Malton and Norton is Butcher Corner, within the centre of Malton. Providing relief to this junction will significantly reduce congestion in the towns and provide additional capacity. It is proposed that the contributions for the two strategic A64

junction improvements be sought from developers in proportion to the impact their development is assessed to have on the critical Butcher Corner junction.

- 4.3 We propose that this calculation is based on the number of Passenger Car Units (PCU's) that a new development would generate at Butcher Corner. A PCU is a relative measure for different types of vehicle movement. As an example, a private car equals 1 PCU, whilst a heavy goods vehicle equates to 2 PCU's, and different types of development will generate different levels of traffic.
- 4.4 The financial contribution would then be worked out by multiplying the number of PCU's generated by the development at Butcher Corner by a *cost per PCU*. We propose to work out the *cost per PCU* by taking the cost of the particular junction improvement, minus any committed public money (i.e. cash contributions from the County and District Councils and the Highways Agency), divided by the traffic relief at Butcher Corner that the junction improvement would generate.

For example:

Total traffic relief at Butcher Corner (all traffic directions) following construction of the Brambling Fields junction improvement as forecast by the Malton and Norton traffic modelling work = 400 PCU's (i.e. the junction improvement would take out 400 PCU's that currently travel through Butcher Corner).

Present estimated cost of the Brambling Fields junction improvement = £3,000,000.

Therefore, in the absence of any other funding source, the developer contribution required for each PCU it generates through Butcher Corner =

£3,000,000 / 400 = £7,500 per PCU.

- 4.5 We believe that this proposed methodology is a fair, reasonable and consistent way in which to seek contributions that 'marry' the cost of releasing additional capacity to the impact that new development will have at Butcher Corner.

The draft and final versions of the SPD will finalise these costs. At the moment, we are mainly concerned with getting your views on this **proposed** approach.

Q. Are there any other ways to base or calculate contributions that you believe represent a more appropriate approach?

5. Who should be expected to pay?

- 5.1 Butcher Corner is a pivotal point in the highway network serving Malton and Norton and almost all new development in Malton, Norton and Old Malton will generate traffic that will, to an extent, utilise this junction. On this basis, we propose that proposals for new housing and some commercial and retail development in Malton, Norton and Old Malton should, in principle, be contributing to the costs of the strategic highway improvements.
- 5.2 For many larger developments, the assessment of traffic passing through Butcher Corner (i.e the number of PCU's) would be identified through a Transport Assessment prepared by the developer in support of a planning application. The PCU's generated at Butcher Corner would be assessed by the Highway Authority in terms of their impact at Butcher Corner in the morning peak hour. This has been identified as the most critical period of the day at that junction.
- 5.3 For smaller developments a transport assessment is rarely required. We are suggesting therefore that each **new** home contributes at the rate of 1 PCU. For commercial and retail development, it is suggested that only major development contributes to the junction improvements. This recognises the value of smaller businesses to the vitality of the Town Centres and positively seeks to encourage them to prosper, and takes into account the returns associated with different types of development.
- 5.4 We are determined that any approach to securing developer contributions takes full account of the economic viability of development schemes. We recognise the importance and value of providing new homes and jobs in this District and this Council has always been keen to build and expand the role of Malton and Norton as this District's Principal Service Centre. Developers who feel the viability of their schemes would be adversely affected by making the full contribution would be expected to demonstrate this in a clear and transparent way. This will enable the District Council, as Local Planning Authority, to balance the contribution the development is capable of making against its contribution to the Council's strategic planning objectives.

**Q: Do you think that this is a reasonable and fair approach?
Can you suggest any alternatives?**

6. How will this happen?

6.1 Developer contributions will be secured through Section 106 agreements. These are legal agreements between the Planning Authority and anyone with a legal interest in the development site. They are part of a planning permission. As well as including clauses referring to the level of contribution, the legal agreement should also address the:

- Timing of payments and,
- 'Pay Back' clauses to return the contribution to a developer if the infrastructure improvement does not materialise.

Timing of Payments

6.2 The payment of a developer contribution is normally triggered either on commencement of development or on completion of development. In most instances, where a contribution by one developer is required as a whole to provide infrastructure improvements, the developer would be expected to pay this on commencement of development. This would ensure that the improvements required by the development are put in place alongside the proposal taking place.

6.3 For smaller developments we suggest that payment is made on completion / occupation of development. This reflects the fact that whilst their contributions to the improvement would be fair and reasonable, the impact of the money would be relatively minor in scale.

6.4 For larger developments, we would negotiate the timing of payments, based on a timescale for the implementation of the junction improvements. This is likely to result in phased payments over the course of the development. In such cases, payments must be indexed linked to cater for the changes in the cost of implementation.

Pay Back Periods

6.5 Major new development in Malton and Norton is dependant on the implementation of the strategic transport schemes that are the subject of this document. On this basis, it is crucial that the Council and the Highway Authority have certainty over the availability of resources to implement the schemes. Therefore we believe that it is both reasonable and fair that new development makes contributions that have relatively distant pay back periods, to reflect the fact that strategic highway improvements are expensive, difficult to fund, often involve third parties and take time to implement. On this basis, we suggest that

money is held for a period of ten years from the date of receipt and is returned to a developer if the relevant project has not been committed within that period.

Q: Do you think that these suggestions are reasonable? Can you suggest alternatives?