

Proposed approach for securing development contributions to mitigate additional traffic impacts on A27 Chichester Bypass

1. Contacts

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Executive Summary

The Chichester Local Plan establishes the principle of seeking developer contributions to mitigate the additional traffic impact of planned development on the A27 Chichester Bypass junctions. Transport modelling work supporting the Local Plan identified an indicative package of small scale measures for the six junctions on the Bypass costing at £12.8 million.

Further work has now been undertaken to establish a methodology to secure financial contributions from housing developments when they come forward at the planning application stage, and to ensure that the scale of contribution is proportionate and fairly related to the expected traffic impact that each development will have on the A27 junctions.

This report seeks Cabinet approval to take forward the proposed approach for seeking A27 contributions to public consultation, with the intention of incorporating it as an amendment to the Council's Planning Obligations Supplementary Planning Document (SPD). If the proposed approach for obtaining developer contributions is adopted following consultation, it would generate sufficient funding to address the direct traffic impacts of the housing developments proposed in the Local Plan to 2029, either to fund small scale improvements to the A27 junctions or to support the Government funded A27 Chichester improvement scheme which Highways England is currently developing. These contributions will not resolve the underlying problems with the A27.

2. Recommendations

- 2.1 That Cabinet recommends to Council that the methodology set out in this report be agreed as the basis for seeking development contributions to mitigate the impact of proposed Local Plan development on the A27 Chichester Bypass junctions or to contribute to a wider A27 improvement scheme;**
- 2.2 That the text in the Appendix be published as a potential modification to the Council's forthcoming Planning Obligations Supplementary Planning Document (SPD), for consultation for a six week period from Friday 29 January to Friday 11 March.**

3. Background

- 3.1 Local Plan Policy 8 makes provision for a coordinated package of improvements to junctions on the A27 Chichester Bypass that will increase road capacity, reduce traffic congestion, improve safety, and improve access to Chichester city from surrounding areas. The Transport Study of Strategic Development Options and Sustainable Transport Measures (2013) identified an indicative package of measures for the six junctions on the Bypass which was costed at £12,817,000. These measures were identified as being sufficient to mitigate the impact of the development proposed in the Local Plan and capable of being funded by developer contributions. Some of the identified measures have already been secured from planning permissions granted¹, leaving a sum of £11,165,000 still required.
- 3.2 The A27 junction measures identified in the 2013 Transport Study were intended purely to mitigate the additional traffic impacts of development proposed in the Local Plan in order to make that development acceptable in planning terms. They do not seek to address the wider issues of traffic congestion on the A27. However, it is recognised that there will be a need to coordinate the Local Plan mitigation scheme with forthcoming Highways England proposals for improvements to the A27 at Chichester when these are finalised. The Council has publicly committed to provide £10 million from developer funding towards any Highways England scheme². This will potentially involve any development contributions secured being used to contribute towards the wider package of A27 improvements.
- 3.3 Policy 8 establishes the principle of seeking contributions from development towards the A27 junctions. However, further work has been necessary to establish the mechanism that will be used to secure contributions and to identify a fair and transparent approach to apportioning the overall cost of the identified mitigation works.

¹ This includes works to the Portfield and Oving Road junctions that are required as part of the existing planning permission at Shopwhyke Lakes and a contribution of £100,000 from the retail development at Barnfield Drive (Phase 1).

² This commitment is set out in a letter dated 11 February 2013 from the leaders of West Sussex County Council and Chichester District Council to the Government Transport Minister, Philip Hammond.

4. Outcomes to be achieved

- 4.1 To ensure that the additional traffic impacts of development proposed in the Chichester Local Plan are mitigated and do not further accentuate the existing problems of congestion on the A27 Chichester Bypass and on local roads linked to the A27 junctions.

5. Proposal

- 5.1 Following discussions with officers from Highways England and West Sussex County Council, it is now considered that the use of S278 agreements provide the most appropriate mechanism for financing development contributions to the A27. This approach will require site developers to enter into legal agreements with Highways England to secure financial contributions towards the cost of the required mitigation for the A27 junctions.
- 5.2 The use of S278 agreements rather than CIL to fund the A27 mitigation means that contributions sought must meet the statutory tests applicable to planning obligations as set out in the CIL regulations - that contributions are necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind.
- 5.3 The Council, in partnership with Highways England and West Sussex County Council, commissioned Jacobs (the consultants that undertook the 2013 Chichester Transport Study) to undertake further traffic modelling work. Their resulting report, 'A27 Chichester Bypass: Developers Contribution Analysis for Strategic Development Options and Sustainable Transport Measures' (October 2015), sets out a detailed methodology to calculate contributions from development locations towards the A27 mitigation package.
- 5.4 The proposed methodology apportions the remaining cost of the A27 mitigation package between the outstanding Local Plan housing developments in direct proportion to the level of traffic impact that each development is expected to have on the Chichester Bypass junctions. Jacobs have used transport modelling to assess the number of AM peak hour trips per day from each proposed Local Plan development that would be expected to use the A27 Chichester Bypass junctions. The outstanding cost of the A27 mitigation package (£11,165,000) has been divided by the forecast number of additional AM peak hour trips per day from all the outstanding Local Plan developments to calculate the cost per trip (£8,317 per trip). The contribution for each individual development has then been calculated based on the number of AM peak hour trips using the A27 junctions that it is expected to generate.
- 5.5 The table in the appendix shows the financial contribution calculated for each of the Local Plan housing developments. The locations that are expected to have the greatest traffic impact on the Chichester Bypass junctions will

provide a proportionately larger financial contribution than those having less impact. The largest contribution per dwelling would be required from the Tangmere SDL, followed by the strategic development at Westhampnett. This reflects the greater dependence on the A27 and the Chichester Bypass junctions for trips to/from these developments, compared to the West of Chichester SDL. The cost per dwelling for East Wittering/ Bracklesham is also relatively high, compared to that at Chichester city, reflecting the higher proportion of trips likely to impact on the Chichester Bypass junctions.

- 5.6 The A27 contribution required from the Tangmere SDL appears particularly high compared to the other SDLs. However, due to the higher proportion of trips using the A27, the Tangmere development will have less impact on local roads, which will reduce its relative contribution to local highways and transport measures. Sites with lower A27 contributions such as West of Chichester are likely to have a larger impact on local roads and so be required to fund multiple transport improvements in the city.
- 5.7 It is intended that the proposed contributions methodology will only be applied to the larger housing developments already identified in the Local Plan. This is because the A27 mitigation package identified in the 2013 Transport Study was developed specifically to address the additional traffic resulting from the housing proposed in the Local Plan (which was the reason that the Local Plan housing figure was restricted to 435 dwellings per year). Therefore, the methodology set out here would not cover some categories of potential development:
- Small scale parish housing allocations (e.g Boxgrove) where the scale of housing proposed is unlikely to generate a substantial impact on the Chichester Bypass junctions.
 - Employment land and floorspace and additional development proposals not identified in the Local Plan (e.g large windfall housing sites) – the need for financial contributions to address the traffic impacts of such developments will be considered on a case by case basis at the planning application stage.
- 5.8 In order to take the A27 contributions methodology forward, It is proposed that:
- (i) the Council should take forward the methodology proposed in the Jacobs report as the basis for seeking financial contributions from the Local Plan development sites towards improvements to the A27 Chichester Bypass junctions or to contribute to a wider A27 improvement scheme;
 - (ii) a new section should be added to the forthcoming Planning Obligations SPD explaining the A27 contributions methodology and how the Council will apply it when determining planning applications for sites identified in the Local Plan;
 - (iii) the Council should undertake a six week period of public consultation on the proposed methodology and the proposed text in the Appendix, with the intention that, subject to the outcome of the consultation, the

Planning Obligations SPD should be formally amended to incorporate the new text. This will be the subject of a further report in due course.

- 5.9 The Appendix sets out the draft text which it is proposed will be added to the SPD. The text sets out the justification for seeking financial contributions towards the A27 junctions and the Jacobs methodology, and explains the mechanism that it is intended to use to secure development contributions.
- 5.10 The proposed timetable below sets out the key stages involved in taking forward these proposals leading to their incorporation in the Planning Obligations SPD.
- 5.11 Council officers will consider all representations received in response to the public consultation and report these to Cabinet and Council. This may result in the need for some modifications to the contributions methodology or process. Subject to the nature of any necessary amendments, the proposed timetable would lead to the formal adoption of the A27 contributions methodology in May 2016.

Process	Date
Cabinet	5 January 2016
Full Council	26 January 2016
Date of publication in Chichester Observer and on Council website	28 January 2016
Hard copy of notice and Document at deposit locations (six libraries, Selsey office and CDC reception together with an explanatory note) & Members Library	28 January 2016 (pm)
Document published for six weeks public consultation	9.00am 29 January – 5.00pm 11 March 2016
Results reported to DPIP	14 April 2016
Results reported to Cabinet together with recommendations to modify SPD	3 May 2016
Full Council	17 May 2016 Annual Council

6. Alternatives that have been considered

(i) Use of CIL to provide funding towards the A27 improvements

- 6.1 This option was the route originally intended to provide funding as indicated in Local Plan Policy 8. However, the CIL guidance now indicates that large scale projects undertaken by Highways England on the strategic road network are not suitable for funding through CIL receipts. In addition, there is already a wide range of other infrastructure identified to be financed through CIL, which would leave little scope to use significant funding from this source.

(ii) Use of S106 agreements to secure developer funding

- 6.2 The use of S106 agreements as a direct means of securing developer contributions was also considered. However, the CIL regulations apply pooling restrictions to the use of financial contributions obtained through S106 agreements, whereby no more than five separate contributions can be used to fund a single infrastructure project. This would limit the scope to use S106 as the direct mechanism for securing contributions from a number of separate development sites. as Highways England has indicated that it wishes to bring forward a single integrated package of A27 improvements,.

7. Resource and legal implications

- 7.1 The approach of using S278 agreements to secure financial contributions from developments to help fund the cost of a major road scheme is relatively innovative. Officers from Highways England have indicated, based on informal legal advice, that they are happy that such a procedure is acceptable within the terms of the regulations, but have not been able to provide a directly comparable example of this approach being used elsewhere. The Council's Principal Solicitor has advised that as Highways England is a strategic highways company appointed under Part 1 of the Infrastructure Act 2015 the pooling restrictions imposed by the Infrastructure Regulations 2010 do not apply. Therefore, she is content with the approach of using a planning obligation to require the developers to enter into a S278 agreement.

8. Consultation

- 8.1 The principle of seeking financial contributions to mitigate the impact of development on the A27 Chichester Bypass junctions is already established in Policy 8 of the Local Plan and as such has been subject to public consultation during preparation of the Plan. However, Policy 8 refers to funding from the CIL being used to deliver these measures. In addition, the Local Plan provides no information on the methodology to calculate the contributions or the process to be used to secure the contributions at the planning application stage.
- 8.2 Subject to Members' agreement to the methodology and process set out in this report, it is proposed to undertake a six week period of public consultation on proposed amendments to the Planning Obligations SPD to be agreed under recommendation 2.2 of the report.
- 8.3 This report was considered and endorsed by the Development Plan and Infrastructure Panel (DPIP) at its meeting on 15 October 2015.

9. Community impact and corporate risks

- 9.1 Road congestion is widely recognised as a major issue affecting Chichester city and the surrounding area, particularly related to the impact of traffic on the A27 junctions. The developments proposed in the Local Plan will generate traffic that will further add to these existing pressures. Securing proportionate

financial contributions from major housing development will mitigate the impact of the additional development and/or contribute to funding a larger Highways England scheme (assuming that this is progressed as expected). This will benefit all road and transport users in and around the city and will provide wider environmental benefits (e.g. helping to address problems of air pollution).

10. Other Implications

	Yes	No
Crime & Disorder		✓
Climate Change Improvements to traffic movement on the A27(T) will benefit all road and transport users in and around the city and will provide wider environmental benefits (e.g. helping to address problems of air pollution).	✓	
Human Rights and Equality Impact		✓
Safeguarding		✓
Other (Please specify)		✓

11. Appendix

Appendix – Proposed additional text to be added to the Planning Obligations SPD

12. Background Papers

A27 Chichester Bypass: Developer Contribution Analysis for Strategic Development Options and Sustainable Transport Measures (report by Jacobs, October 2015)

APPENDIX 1

Additional text proposed to be added to the Planning Obligations SPD

A27 Chichester Bypass Junction Improvements

The A27 is part of the Strategic Road Network and is therefore the responsibility of Highways England. Major housing development proposed in the Local Plan will generate additional traffic impacts on the A27 Chichester Bypass junctions which will require mitigation.

Policy 8 makes provision for a coordinated package of improvements to junctions on the A27 Chichester Bypass that will increase road capacity, reduce traffic congestion, improve safety, and improve access to Chichester city from surrounding areas. The Transport Study of Strategic Development Options and Sustainable Transport Measures (2013)³ identified an indicative package of measures for the six junctions⁴ on the Bypass costing £12,817,000. These measures were identified as being sufficient to mitigate the impact of development proposed in the Local Plan and capable of being funded by that development.

An element of the identified package of measures for the A27 junctions has already been secured from planning permissions granted. This includes proposed works to the Portfield and Oving Road junctions that are required as part of the planning permission granted for development at Shopwyke⁵. The remaining requirement amounts to £11,165,000, to provide for improvements to the other four A27 Chichester Bypass junctions (Fishbourne, Stockbridge, Whyke and Bognor Road).

This remaining sum will be met from financial contributions provided by the outstanding housing developments proposed in the Local Plan. This includes the Strategic Development Locations (SDLs) and the other locations where substantial housing identified in the Local Plan is not yet subject to planning permission⁶.

The Council, in partnership with Highways England and West Sussex County Council, has commissioned traffic modelling work to assess the number of trips generated by each of the Local Plan developments above that would be expected to impact the A27 Chichester Bypass junctions. The resulting report, 'A27 Chichester Bypass Developers Contribution Analysis for Strategic Development Options and Sustainable Transport Measures' (October 2015), sets out a detailed methodology to calculate contributions from each development location towards the A27 mitigation package. The methodology is summarised below.

³ Study commissioned by Chichester District Council, Highways England, West Sussex County Council and major development promoters.

⁴ The six junctions are Fishbourne, Stockbridge, Whyke, Bognor Road, Oving Road and Portfield.

⁵ Secured through planning conditions attached to the outline planning permission granted for development on Land on the north side of Shopwhyke Road (O/11/05283/OUT).

⁶ These locations are at Chichester city, East Wittering/ Bracklesham and Southbourne

- Number of trips generated by each proposed housing development of 50 or more dwellings⁷ in the AM peak hour
- Total number of trips from the assessed housing developments that use the junctions on A27 Chichester Bypass (1,343 trips in total)
- Outstanding cost of A27 junction mitigation package (£11,165,000)
- Individual cost per trip (£11,165,000 / 1,343) = £8,317 per trip
- Financial contribution for each development = number of trips using the A27 Chichester Bypass junctions x cost per trip (£8,317)

Based on this calculation, the table below sets out the financial contribution that will be sought from each of the outstanding housing developments identified in the Local Plan.

Development zones	Dwellings proposed in Local Plan (outstanding at June 2015)	Trips using A27 Chichester Bypass junctions	Total contribution required per development	Cost per dwelling
Strategic Development Locations				
West of Chichester SDL – Phase 1 (Northern access)	750	123.9	£1,030,613	£1,374
West of Chichester SDL – Phase 2 (Southern access)	850	184.2	£1,532,303	£1,803
Westhampnett/NE Chichester SDL Phase 1 (Westhampnett)	300	140.3	£1,166,677	£3,889
Westhampnett/NE Chichester SDL Phase 2 (North-east of Chichester)	200	24.3	£202,447	£1,012
Tangmere SDL	1,000	711.0	£5,913,584	£5,914
Other Housing Development				
Chichester City North (CATM Zone 8)	130 ¹	21.9	£182,230	£1,402
Other Chichester city ²	201	63.2	£525,590	£2,615
Southbourne (CATM Zone 73)	105	22.8	£189,328	£1,803
East Wittering/Bracklesham (Zone 63)	130	50.8	£422,228	£3,248

Note: Some of the figures in the table have been rounded.

¹ Planning Committee (14/10/2015) has resolved to permit an application of 160 dwellings on this site subject to a S106 agreement (CC/15/00743/OUT). The financial contribution sought for A27 mitigation will be adjusted upwards to reflect the extra 30 dwellings based on the cost per dwelling figure (£1,402 per dwelling).

² May include sites adjoining the Chichester city settlement boundary in neighbouring parishes

The Council will apply the cost per dwelling figures shown in the table to calculate the financial contribution that will be sought for each location at the planning application stage. Should the housing numbers proposed at the planning application stage vary from those assumed in the table, the financial contribution sought will be

⁷ Smaller parish housing allocations were excluded as they are considered unlikely to generate a substantial additional traffic impact on the A27 Chichester Bypass junctions.

adjusted accordingly based on the cost per dwelling figure for the relevant site / development zone.

Section 106 agreements will be used to require developers to provide mitigation for the A27 through the mechanism of Section 278 agreements between the landowner/developer and Highways England. On the grant of planning permission, the Council will include a clause in a s106 agreement requiring that, prior to commencing any housing construction, the developer has entered into a s278 agreement with Highways England providing for a specified financial contribution, which will be based on the relevant cost per dwelling figure in the table above. The A27 junction measures identified in the Local Plan are designed only to mitigate the impact of the development proposed in the Plan. However, the Government's June 2013 Spending Review has identified the A27 at Chichester as a priority for capital investment and Highways England is undertaking work to bring forward a scheme for A27 Chichester improvements during the period 2015-2019. It is recognised that there will be a need to coordinate the Local Plan measures with the Highways England proposals when these are finalised. This will potentially involve development contributions for mitigation obtained through s278 highways agreements being used to contribute towards the wider package of A27 improvements.