

TELFORD & WREKIN COUNCIL

CABINET – 7th JANUARY 2016

TRANSPORT GROWTH STRATEGY

**REPORT OF ASSISTANT DIRECTOR OF NEIGHBOURHOOD &
CUSTOMER SERVICES**

LEAD CABINET MEMBER – CLLR ANGELA MCCLEMENTS

1. SUMMARY OF MAIN PROPOSALS

- 1.1 The Transport Growth Strategy sets out the transport infrastructure and investment that is required to accommodate future housing, business and population growth within Telford & Wrekin ensuring that Telford retains its competitiveness to attract inward investment, create jobs and improves quality of life for residents and visitors. To do this it is vital that the transport network continues to offer excellent connectivity by car, bus, rail or cycling and walking and that the travel needs of residents, businesses and visitors to the Borough can be achieved.
- 1.2 Telford & Wrekin has a strong track record of securing central government investment and delivering major infrastructure projects. With £4bn still to be allocated over the next parliament the Transport Growth Strategy will ensure that the Council can continue to compete nationally to secure this funding and deliver the necessary infrastructure. In support of this, the strategy also sets out how the Council will continue to secure developer contributions for a wide range of transport improvements as development sites come forward. Since 2011 the Council has been successful in securing £43.5m of investment towards improving the transport network to deliver future growth, of which £22m directly relates to delivering the Transport Growth Strategy.
- 1.3 The Transport Growth Strategy considers the impact and potential improvements in relation to public transport, cycling and walking, rail and car. the Strategy sets out the impact of the future growth on the network and identifies the potential improvements required to accommodate this. This work has been undertaken using Telford & Wrekin's Strategic Transport Model and has taken into account stakeholder feedback on transport issues arising out of the recent consultation on the Telford & Wrekin Local Plan. As such the report also provides the evidence base to support the transport element of the Local Plan. The Transport Growth Strategy will ensure that future growth can be accommodated and will provide a framework for the

Council to secure further investment in the network, ensuring that the Borough can continue to prosper.

<p>2. <u>RECOMMENDATIONS</u></p> <p>2.1 That Cabinet approves the adoption of the Transport Growth Strategy in Appendix A; and</p> <p>2.2 That Cabinet notes the ongoing need to secure developer contributions and central government funding to deliver the strategy as well as the current restrictions on S106.</p>
--

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	The proposals seek to ensure that the impact of development on the highway is properly considered and appropriate mitigation and funding is identified and secured. This will also improve the process for developments coming forward supporting the business winning, business supporting approach of the Council. The strategy looks at future improvements to public transport, rail and cycling and walking as well as car use.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/ DELIVERY DATE	Adoption of local plan – Summer 2016	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The Transport Growth Strategy (Appendix A) details and quantifies the impact on the Borough's transport infrastructure of the developments set out in the Local Plan using the costing methodology required by the Treasury. The schemes and their predicted costs are summarised in Tables 1, 2, 3 and 4 to this report. The Council will aim to secure funding for the infrastructure developments from development contributions (S106 and CIL), central government, third party and LEP grants and finance support will be given to the submission of bids for grant funding. The Transport Growth Strategy does not commit the Authority to undertake any infrastructure works if sufficient funding cannot be secured ,

		<p>although it may choose to use council prudential borrowing to bridge a funding gap for a project either on a temporary basis whilst funding is secured or to facilitate developments which are of strategic importance. There is currently no budget provision for this and any Council prudential borrowing would add pressure to both the capital and revenue budgets in future years. Projects will be brought forward for funding approval as the subject of separate reports, as necessary.</p> <p>JAC 101215</p>
LEGAL ISSUES	Yes	<p>The Community Infrastructure Regulations 2010 already require that, when decisions are made to grant planning permission, planning obligations should only be sought where they are:</p> <ul style="list-style-type: none"> ● necessary to make the development acceptable in planning terms; ● directly related to the development; and ● fairly and reasonably related in scale and kind to the development. <p>From 6th April 2015 the 2010 Regulations have also imposed a “pooling of contributions” restriction which has the following consequence: If, at the time the Council is deciding whether to grant a planning application, there are already 5 or more contributions contained in separate S106 agreements/planning obligations which are paying towards the same project or type of infrastructure, even if the planning application proposal would give rise to a need for a further contribution towards the same project/infrastructure, the LPA is prohibited from requiring the contribution towards that project/infrastructure through a further S106 agreement/planning obligation.</p> <p>The Transport Growth Strategy has had regard for the Community Infrastructure legislation. in its response to the foreseeable consequences of anticipated growth in the Borough (<i>IR03.12.15</i>)</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>As a result of the above mentioned statutory restrictions on S106 pooling there is the potential that insufficient funds will be secured through developers’ contributions to deliver the required improvements. This will require the Council to rely on securing central government funding or may see increased levels of congestion on the network.</p>

IMPACT ON SPECIFIC WARDS	No	
---------------------------------	----	--

PART B) – ADDITIONAL INFORMATION

4.0 INFORMATION

Introduction

- 4.0 The Transport Growth Strategy sets out the required transport infrastructure and investment that is required to accommodate future growth ensuring that Telford retains its competitiveness to attract inward investment and create jobs and improve the quality of life for residents and visitors. To do this it is vital that transport network continues to offer excellent connectivity by car, bus, rail or cycling and walking and that the travel needs of residents, businesses and visitors to the Borough can be achieved.
- 4.1 Telford & Wrekin has a strong track record of securing central government investment and delivering major infrastructure projects. With £5bn still to be allocated over the next parliament the Transport Growth Strategy will ensure that the Council is in the best possible position to compete nationally to secure this funding and deliver the necessary infrastructure. In support of this, the strategy also sets out how the Council will continue to secure developer contributions for a wide range of transport improvements as development sites come forward. The report also provides the evidence base in support of the transport element of the Local Plan.
- 4.2 Telford & Wrekin’s highway network is also the single most valuable asset that the Council owns, valued at just over £1.3bn. As such it is vital that the network is resilient and able to cope with the future pressures that it is likely to be placed under particularly as the Borough continues to grow. As a New Town, Telford was designed for the car and has a high capacity road network which means currently there is relatively little congestion, which is an attractive incentive for encouraging businesses to invest in the area. However, Telford is also a growth area and the emerging Telford & Wrekin Local Plan includes policies to deliver up to 15,555 houses by 2031. The Transport Growth Strategy will ensure this future growth can be accommodated and provide a framework for the Council to secure further investment in the network, ensuring that the Borough continues to prosper.
- 4.3 There are a number of benefits to both the Council and developers as a result of adopting a plan led approach to catering for future growth on the highway network, these include:
- Provides a fair & reasonable approach to considering the developments impact on the highway network;

- Provides certainty to developers and land owners on the potential mitigation costs early on in the planning process;
- Reduces the costs on the developer in not having to produce a full Transport Assessment (TA) subject to agreement and scoping of the Highways Development Control team;
- Provides a more efficient process for the Highways Development Control Team in assessing TA's;
- Ensures that assessment of the future impact on the network is robust and to the relevant standards;
- Allows the Council to secure developer contributions and bid for Central Government funding;
- Will help to secure the support of the Highways England in minimising the impact on the Strategic Road Network and allowing development to come forward.

5.0 Telford Strategic Transport Model

5.0 Telford has a strategic transport model which was developed in support of the Central Telford Area Action Plan in 2009. The use of the model helped in securing the support of Highways England and addressing the planning inspectorate's requirements through the public examination process. Subsequently the transport model was used to support a number of investment bids and the Council has been extremely successful in securing over £43.5m of investment in transport infrastructure in the past few years as a result, including:

- ✓ £3.5m Local Sustainable Transport Fund Key Component Projects
- ✓ £6.1m Local Sustainable Transport Fund (Box Road)
- ✓ £1m Local Sustainable Transport Fund Revenue Bid
- ✓ £1.1m DfT Local Pinch Point Funding
- ✓ £2.2m Highways Agency Pinch Point Funding
- ✓ £750k ERDF
- ✓ £14m Marches Growth Deal Funding (Growth Point Package)
- ✓ £1.3m Marches Growth Deal Funding (Telford Bus Station)
- ✓ £3.6m Marches Growth Deal Funding (M54 Junction 4)
- ✓ £10m DfT Highways Maintenance Challenge Fund

5.1 The Council has now used the model to understand the impact of future growth on the network in order to support the land use policies of the emerging Local Plan with the aim of providing a coherent, affordable and deliverable transport vision. This will also provide a technical basis of a contribution strategy that can be applied as developments come forward.

5.2 The model has also been signed off by Highways England which will ultimately give them confidence in the outcomes of the Local Plan transport work. This will reduce the risk of any objections from them in relation to the Local Plan and to ensure developments can come forward whilst ensuring that the Strategic Road Network is protected and any impact mitigated where required.

6.0 Transport Growth Strategy

6.0 The purpose of the Transport Growth Strategy is to set out the transport needs in order to cater for future growth in the Borough. The report also provides the evidence base for the transport element of the Local Plan.

6.1 The Local Plan proposes the construction of 15,555 dwellings and a minimum of 76 hectares of employment land by 2031. As of April 2015 a total of 13,772 dwellings and 148,593 sq. metres of employment land had already been granted planning permission.

6.2 The strategy has been prepared in the context of advice contained in the National Policy Planning Framework (NPPF) as well as the Council's transport policy as set out in the Local Transport Plan (LTP) for Telford and Wrekin 2011- 2025.

6.3 The strategy looks at how the demand for travel in Telford is forecast to change over the plan period and shows how this will impact on the transport network if no action is taken. It looks at the relative impact of developments that have already been granted planning permission as well as those where the Council has resolved to grant permission. It also considers the impact of the proposed Local Plan development sites themselves.

6.4 In light of the information provided with regard to the phasing of the proposed development sites the mitigation strategy is broken down into short term (2015 – 2020) and long term measures (2020+). In all likelihood the delivery of infrastructure will be dependent on the way funding comes forward, the delivery of housing and employment sites and therefore the plan has to be flexible in accommodating this.

6.5 The estimated gross investment required for the highways off-site strategic infrastructure is set out in Tables 1-4 below. Table 1 sets out the short term schemes to be delivered by 2020 for which funding has been partially secured through the LEP, DfT and developer contributions. Table 2 sets out other off-site highway improvements that may be required by 2020, however this will be subject to the way funding and developments come forward and as such there maybe some re-profiling of scheme delivery between tables 2 and 3 as the plan

progresses. Table 3 sets out the longer term infrastructure requirements to deliver the full strategic priorities up to 2031.

Table 1 - Partially Funded Schemes within Short Term period

Location	Total Scheme Cost	LEP/DfT/Developer Funding already secured
GPP – Shawbirch Rbt	£2,195,861	£1,947,000
GPP – Limekiln Rbt	£2,654,203	£2,654,203
GPP – Clock Tower Rbt	£1,720,399	£1,359,115
GPP – Trench Lock	£433,934	£342,808
GPP – Ketley Brook	£1,077,079	£850,892
GPP – Randlay Int	£723,201	£571,329
Eastern Gateway – M54 J4	£3,600,000	£3,040,915
TTC Connectivity Package	£12,300,000	£10,700,000
Leegomery Roundabout	£352,150	£110,928
Holyhead/Haygate Road Signals	£721,459	£0
Holyhead/Haygate Road/Oaks Crescent	£980,977	£80,020
Holyhead Road/Roman Road	£1,277,229	£166,100
Partially Funded Scheme Total	£28,036,492	£21,823,310

Table 2 –Other Short Term Schemes

Location	Construction Cost	Risk (25%)	Optimism Bias (44%)	Total Cost
A518 at Garrison Rbt	£10,158,395	£2,539,599	£4,837,331	£17,535,325
West Centre Way	£1,517,149	£379,287	£722,452	£2,618,887
Brockton Interchange	£192,308	£48,077	£84,615	£325,000
Short Term IDP Total	£11,867,852	£2,966,963	£5,644,398	£20,479,212

Table 3 - Long Term Infrastructure Schemes

Location	Construction Cost	Risk (25%)	Optimism Bias (44%)	Total Cost
Brockton Interchange	£95,276	£23,819	£41,922	£161,017
Apley Rbt	£3,380,078	£845,020	£1,609,561	£5,834,659

Naird Rbt	£712,022	£179,255	£341,439	£1,237,716
Priorslee Rbt	£1,659,898	£414,975	£790,428	£2,865,301
A518/Limekiln Lane	£2,614,726	£653,681	£1,245,108	£4,513,515
A518/Wellington Rbt	£2,628,293	£670,681	£1,277,759	£4,631,875
A442 Leegomery Rbt to Hadley Rbt	£9,623,827	£2,405,957	£4,582,775	£16,612,558
A5223 Haybridge Rbt to Ketley Brook Rbt	£4,265,171	£1,066,293	£2,031,034	£7,362,497
Long Term IDP Total	£24,984,291	£6,259,823	£11,920,026	£43,219,138

Table 4 - Combined Short Term and Long Term schemes

Construction Cost	Risk (25%)	Optimism Bias (44%)	Total Cost
£36,852,143	£11,904,221	£14,886,989	£69,911,532

- 6.6 As per table 4 the potential investment requirement is £69,911,532 over a 15 year period however this includes for 25% risk and 44% optimism bias (optimism bias is the demonstrated systematic tendency for appraisers to be over-optimistic about key project parameters) as required by the HM Treasury's Green Book and Department for Transport's WebTAG. The high level of risk and optimism bias reflects the proposed schemes early stage of development and as the scheme progresses it is expected that these costs will reduce. The remaining funding gap will then have to be met by securing developer contributions, Central Government/LEP funding and other Public sector capital.
- 6.7 Other contributions will be secured on a site by site basis, such as improvements for bus services or cycling and walking or will be delivered by the developer under Section 278 agreements such as their site accesses.
- 6.8 The total scheme costs and impact of the schemes has been assessed in value for money terms using Department for Transport approved processes. This has demonstrated that the Benefit Cost Ratio of the total highway improvements is 4.9 i.e. for every £1 invested this provides a return of £4.90 to the economy. As such the improvements represent high value for money.
- 6.9 In developing the strategy the Council has also looked at future improvements to public transport including rail, cycling and walking, travel planning, car parking and electric vehicles.

7.0 Securing Developer Contributions for highways

7.1 It is vital that the Council secures the required contributions from developers to deliver the required infrastructure. The strategy needs to conform to the requirements of the Community Infrastructure Regulations 2010 and the National Planning Policy Framework which both state that, when decisions are made to grant planning permission, planning obligations should only be sought where they meet all of the following tests:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

7.2 It should be noted that the restriction on pooling S106 contributions is likely to mean that securing the full cost of mitigation from developers could be difficult depending on the costs of the required infrastructure and the impact of the development on the network. Given the cost of infrastructure requirements, restrictions on S106 and the level of development likely to come forward the Council is likely to be heavily reliant on LEP, central government funding or other Public Sector capital to deliver the required infrastructure, and this emphasises the need to secure appropriate contributions from developers to minimise the contributions required from the public sector.

7.3 Each developer could pay more to remove the shortfall but this could make some sites unviable. If the Council sought to pool contributions from more than five developers it would be acting in contravention of the S106 restrictions and again leave the Authority open to challenge. While the Community Infrastructure Levy has been the Governments preferred option to overcome the existing challenges in securing S106 contributions it has recently announced a review of the effectiveness of CIL making it even more important the Council has a robust process in place to ensure that appropriate contributions from developers are delivered.

7.4 To support and provide clarity to developers the Council has developed a methodology that apportiones the total funding gap against traffic growth, existing committed developments and local plan sites still to come forward. This ensures the contribution is fair and reasonable to the developer and moves away from a first past the post approach whereby developers would be expected to pick up the full cost of mitigation. The cost per trip that has been calculated will be used as an

initial starting point for discussion with developers and will then be allocated to a specific item of infrastructure identified within the strategy that is relevant to the development. This will ensure that the approach meets the requirements of both the CIL and S106 regulations.

7.5 The calculation for the cost per trip is as follows:

Total cost of funding gap/total average number of 2031 trips = cost per trip

$\pounds 69,911,532/55,317 = \pounds 1,263.83$ per trip

7.6 Going forward, each development will need to be carefully considered as to which contributions are being secured and for what infrastructure within the current regulations. This is set in the wider context of securing contributions for other services such as school places, open space provision and recreation facilities whilst ensuring the overall viability of development is not threatened.

7.7 To ensure the plan is delivered and funding is secured from developers, developers will be required to consider the impact of their development alongside all existing committed development and current future local plan site allocations. Where possible developers should utilise the outputs of the Telford Strategic Transport Model in support of their relevant transport assessments.

7.8 Where developers do not utilise the Telford Strategic Transport Model they will need to satisfy the Local Highway Authority that their approach considers the cumulative impacts of committed development and current proposed local plan sites and that their current base year scenario provides a reasonable assessment of the current traffic situation on the ground.

7.9 Developers will be required to contribute to the mitigation cost of the strategic transport improvements on the basis of their proportional impact at the relevant mitigation sites. In addition to this developers will be required to deliver site access through S278 agreements and may require S106 contributions to other site specific elements including pedestrian access and bus services. These additional contributions will be identified on a site by site basis through further discussion with the Local Highway Authority.

7.10 "Speculative" development sites, i.e. sites which are not contained within the current local plan allocations, will not have been considered

within the transport strategy and as such the impact of such speculative sites will be unknown. Developers proposing speculative sites would, in addition to demonstrable planning reasons justifying development, need to demonstrate that their site has no additional impact on the network over and above the existing strategy and will need to demonstrate that their site can be accommodated within the proposed mitigation. Where this can be demonstrated speculative sites will be expected to contribute on the basis of the strategy set out above. However where this cannot be demonstrated the developer will need to deliver or provide additional financial contributions to mitigate any additional impact. Where the impact cannot be catered for or mitigated against this could potentially lead to a recommendation for refusal on highway grounds.

- 7.11 Developers should liaise with the Highway England at the earliest opportunity to discuss potential modelling scenarios to avoid any abortive work and to minimise any delays.

8.0 IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 8.1 It is vital the transport network continues to improve in order to cater for future demands from population and traffic growth. The strategy seeks to provide a long term, plan led strategy to securing transport investment on the network. In order to do this contributions need to be secured from developers however the S106 pooling restrictions and the need to ensure that any contributions directly, fairly and reasonably relate in scale and kind to the development could make it difficult to secure the full costs and as such this may require additional government funding or Council capital.

9.0 PREVIOUS MINUTES

N/A

10.0 BACKGROUND PAPERS

Appendix A – Transport Growth Strategy

This document is available to view on the Council website from the following link

<http://apps.telford.gov.uk/CouncilAndDemocracy/Meetings/Meeting/MTM0MQ%3d%3d>