

A27 Contributions Supplementary Planning Document Consultation - 2024

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SECTION 1 Introduction and Background

1.1 Introduction

- 1.1.1 This note provides a transport response to the Chichester District Council (CDC) 'A27 Chichester Bypass Mitigation Supplementary Planning Document Version 2 – May 2024' (SPD) consultation, which is taking place between the 30 May 2024 and 11 July 2024.
- 1.1.2 The response has been prepared on behalf of Gleeson in respect to the promotion of their land interests in the Chichester District and follows on from a representation made in relation to an earlier version of the document, consulted upon by Chichester District Council in 2023.
- 1.1.3 This representation is intended to record observations on the SPD with reference to specific areas where further information should be provided or where there is scope to improve the SPD / future SPDs of a similar nature.

1.2 Background

- 1.2.1 Gleasons previous representation (ref: *ITB12230-014 A27 Contributions SPD Review*) expressed concern with the calculation of the contributions sought towards the proposed mitigation and the evidence upon which these figures were based. In summary, the previous representation observed that:
 - i The principle of development funding mitigation required to accommodate planned growth was accepted, and the development of an SPD providing a clear means to calculate site specific contributions was welcomed.

- ii There were some significant concerns with the approach taken within the SPD to calculate the contributions, and the approach did not accord with CIL Reg 122 tests used to govern financial contributions – the contributions sought would not have been *'directly related to development'* nor *'fairly and reasonably related in scale'*.
- iii The modelling evidence base upon which the infrastructure was based did not make appropriate allowance for changes in travel behaviour nor sought to mitigate impacts through sustainable travel initiatives.
- iv A 535 dwelling per annum (dpa) 'cap' artificially inflated the contribution per dwelling – the proposed infrastructure was capable of accommodating a greater quantum of development.
- v The SPD penalised development coming forward towards the end of the plan period.
- vi The relationship between the number of bedrooms and trip generation is not linear.

1.2.2 The 2024 SPD has been refined and now focusses solely on the securing of financial contributions from 'windfall' development prior to the adoption of a new Chichester District Council Local Plan, which has recently been submitted for examination. These financial contributions are sought towards the package of A27 mitigation works associated with the current, and adopted, iteration of the Chichester District Council Local Plan (2014 – 2029).

1.3 **Summary**

1.3.1 The 2024 iteration of the SPD relies on a data-based methodology to enable the calculation of financial contributions sought from development to satisfy the CIL Reg 122 tests of being 'directly related' and 'proportional to the scale' of development. The methodology used in the SPD is largely consistent with that used in the current and adopted A27 Contributions SPD (2016), and represents a suitable methodology upon which to calculate contributions across a wider area at a more local level.

1.3.2 However, the application of a 'fixed rate' contribution towards network capacity improvements does not encourage innovative sustainable travel solutions as promoted by the National Planning Policy Framework (NPPF) and fails to incentivise development to invest in sustainable travel by not offsetting the costs of investing in sustainable infrastructure beyond the minimum requirements.

1.3.3 Similarly, it is unclear as to whether the mitigation package for which the contribution is sought is still even required. The works requirements were identified more than 10 years ago, while travel behaviour has changed considerably during the intervening period.

1.3.4 Notwithstanding, the contributions set to be secured from the SPD are a small proportion of what is required to plug the shortfall between contributions that have been collected to date and the forecast costs of the improvements package; it is unclear as to how the remainder of the shortfall will be funded, which itself raises a number of questions:

- Are the works still required, and should a more innovative approach to contributions be applied to encourage a greater emphasis on sustainable modes of travel?
- Is there a realistic opportunity for the remainder of the funding to be secured and, if so, how?
- Should central Government funding be sought, will this be impacted by a potential change in Government?
- If appropriate funding cannot be secured to deliver plan improvements, what impact will this have on the delivery of improvements associated with the next plan?
- Will planned development in the next Local Plan be required to plug the shortfall in funding arising from the current Local Plan?
- Should the next Local Plan increase the number dwellings per annum in order to secure the necessary quantum of development required to deliver the A27 corridor mitigation?
- What mechanism will be in place to ensure a seamless transition to a new charging regime upon withdrawal of the SPD, to enable development to come forward in a timely fashion as part of the next plan period?

1.3.5 At this time, it is uncertain as to whether Local Plan will be found 'sound' following examination and, even if it is, the timescale for the Local Plan to be adopted is unclear. This could result in the SPD being in place for longer than anticipated. Should the SPD be adopted, it is recommended that this is done so with a review mechanism put in place – after a period of 2 years, for example.

1.4 **Structure**

1.4.1 The remainder of this representation is structured as follows:

- Section 2 – Scope and Objectives of the SPD
- Section 3 – Observations on the SPD
- Section 4 - Conclusions

SECTION 2 Scope and Objectives of the SPD

- 2.1 The SPD has been prepared to address traffic impacts of planned development on the A27 and replace parts of the Planning Obligations and Affordable Housing Supplementary Planning Document (2016 SPD), adopted in 2016.
- 2.2 The SPD is intended to replace paragraphs 4.46 and 4.54 of the 2016 SPD and relates to securing financial contributions towards the mitigation measures set out in the adopted Local Plan on the A27, costed at £12.1m at the time the accompanying Local Plan evidence base was prepared. The improvement schemes are located at the following junctions:
- Fishbourne Roundabout.
 - Stockbridge Roundabout.
 - Whyke Roundabout.
 - Bognor Road Roundabout.
- 2.3 There has been a significant increase in the forecast cost of the aforementioned A27 mitigation package – a recent review of the estimates has identified that the cost of the works to be some £33.1 - £53.2m, as opposed to the previously forecast £12.1m.
- 2.4 It is understood that some £19.5m has been collected towards the delivery of the works to date. This results in a funding gap of approximately £13.6m (low estimate) - £23.7m (high estimate). The new SPD is proposed to try and help 'plug the gap' in the funding shortfall, with 2.10 indicating that this gap is to be funded through developer contributions secured from the development that comes forward within the remaining period before the new Local Plan is adopted.
- 2.5 There is a stated intention that the SPD will be withdrawn upon adoption of the new Local Plan and superseded by a new charging regime.
- 2.6 The SPD proposes a data-based approach to contributions, utilising a methodology that considers local car ownership levels, the size of the dwelling and data from the Chichester Area Transport Model. Limited technical information has been provided alongside the SPD to be able to thoroughly review the assessment that has been undertaken to develop the charging framework.

SECTION 3 Observations on SPD

3.1 Value of Contribution

- 3.1.1 The SPD identifies that the value of the contribution has been informed by viability testing which identifies that £8,000 per dwelling is a viable 'Target Contribution Level'. There appears to be no supporting evidence that show these calculations.
- 3.1.2 Consistent with the previous version consultation version of the SPD, a 'contribution per bedroom' approach has been used, in which the level of contribution is linked directly to the number of bedrooms proposed.
- 3.1.3 Unlike the previous version of the SPD consulted upon in 2023, further analysis has been undertaken to derive ratios based on Census data, National Trip End Model forecasts and the Chichester Transport Model. That has enabled the calculation of contributions at a Ward level, with the value of the contribution adjusted to reflect local car ownership characteristics. While this is not a 'perfect science', with a truly 'proportional' and 'directly related' level of contribution only achievable through bespoke analysis on a site-by-site basis (e.g. taking into account the type and tenure of the development, localised factors that may influence trip generation or levels of trip containment etc) it does provide an off-the-shelf formula which can be applied to development proposals. It can also be used in a Section 106 Agreement for an Outline permission where the housing mix is not yet confirmed.
- 3.1.4 The approach taken is also largely consistent with that utilised in the current and adopted A27 contributions SPD (2016), which uses a similar methodology to derive the value of the contribution. However, the current iteration uses a refreshed dataset and extends to include windfall developments and dwellings of less than 50 dwellings.
- 3.1.5 However, the application of a 'fixed rate' contribution towards network capacity improvements does not encourage innovative sustainable travel solutions as promoted by the National Planning Policy Framework (NPPF). Development proposals that may actively seek to reduce its traffic impact through sustainable measures – e.g. on-site services and facilities, Car Clubs to discourage car ownership, Travel Plans to encourage modal shift etc – are not recognised within the SPD. There is no incentive for development to go above and beyond, and will effectively be penalised financially for doing so by the application of a fixed-rate contribution on top of the costs of sustainable travel mitigation.

3.2 Development to Which it Applies?

3.2.1 The SPD sets out that the opportunity to secure funding from strategic sites allocated within the current and adopted Local Plan has been missed, and that these sites have either been granted planning consent or have a resolution to grant planning consent. As a result, contributions can only be secured from 'windfall' development; it has been forecast that this is likely to equate to circa 250 homes per year.

3.2.2 This does bring into question whether the SPD satisfies the CIL Regulation 122 tests of both proportionality and relatedness. The A27 mitigation package was required to mitigate the impacts of planned development, however, the Council has failed to secure the necessary funding to deliver these improvements. As a result, the SPD places a disproportional burden on future development, the impact of which itself is unlikely to be 'severe' – i.e. future development is being charged an increased rate to mitigate the impact of development that has already been permitted.

3.3 Will it Achieve What Is Intended?

3.3.1 As discussed in Section 2, the objective of the SPD is to help to fill a funding gap of a minimum of £13m and as much as £32m. The SPD states that it has an expected life of approximately 12 months before the new Local Plan is adopted, although this period may extend if adoption of the LP is delayed. The Council expects 250 windfall dwellings per year.

3.3.2 Using the base contribution value of £8,000 and applying this to the expected 250 dwellings per year equates to a total contribution of £2,000,000. This equates to 15% of the total contribution required to deliver the A27 mitigation package at the low estimate, and 8% of the cost at the high estimate.

3.3.3 It is unclear how the remaining 85% - 92% of the required funding will be secured. Paragraph 2.7 of the SPD makes it clear that, despite ongoing efforts, no other sources of funding have been made available to address the shortfall from the funding secured through development contributions to be able to deliver the planned improvements.

3.3.4 Therefore, to achieve the necessary funding (based on the high estimate) required to deliver the improvements requires either of the following scenarios:

- A contribution of £94,800 per dwelling from 250 homes – a scenario that will not be viable.
- A contribution of £8,000 per dwelling from 2,692 new dwellings – a scenario that may see traffic growth and impact extend beyond that which the A27 mitigation package is intended to mitigate.

3.3.5 The SPD should provide clarity as to how the remainder of the shortfall is to be funded. Typically, such contributions are sought towards the development of a Business Case to explore central funding streams or supported by investment from local capital budgets – for example, such an approach has been used to secure the funding required to deliver the A29 realignment scheme in the Arun District. However, the timing of the consultation during the lead-up to a General Election, and a potential change in the political party leading the Government brings uncertainty as to what funding streams may be available.

3.4 **Impact on Future Local Plan**

3.4.1 Reference to the future Local Plan, which has been submitted for Examination, has been removed from the new version of the SPD which instead focusses solely on windfall development coming forward prior in the interim period.

3.4.2 However, the submission version of the new Local Plan proposes a reduced level of housing growth with the A27 being cited as a constraint to increased levels of growth. A substantial package of mitigation has been identified to address the traffic impact of planned growth on the A27 corridor, above and beyond what has been identified as part of the current adopted Local Plan. It is clear that the matter matters are closely linked.

3.4.3 Therefore, it is surprising that the SPD omits detail on future contributions and that it does not form part of a more comprehensive review of the A27 and what mechanisms / levels of contribution will be required to fund future improvements, particularly given the shortfall in funding arises from inadequate analysis of the likely costs of works early in the current plan period and a missed opportunity to secure appropriate contributions from development that came forward early in the current plan period.

3.4.4 The failure to address future contributions also raises a number of questions, namely:

- If appropriate funding cannot be secured to deliver plan improvements, what impact will this have on the delivery of improvements associated with the next plan?
- Will planned development in the next Local Plan be required to plug the shortfall in funding arising from the current Local Plan?
- Should the next Local Plan increase the dwellings per annum value in order to secure the necessary quantum of development required to deliver the A27 corridor mitigation?

3.4.5 In order to secure the necessary funding to address the shortfall in funding at a ratio of £8,000 per dwelling, this would require an additional 1,450 – 2,450 dwellings (when allowing for the 250 dwellings forecast to come forward prior to adoption of the new Local Plan). Across the 15-year life of the plan, this equates to an additional 96 – 163 dwellings per annum – as set out in Gleasons previous reps, the transport evidence base that supported the future Local Plan at the time identified that the proposed package of mitigation could accommodate at least 700 dwellings per annum, approximately 165 dwellings more per annum than that proposed in current version the future Local Plan.

3.4.6 Should it fall to development within the future Local Plan to make up the difference, this will place an unnecessarily large burden upon planned development, and the requirement will not satisfy the tests set out in CIL Reg 122. Only an increase in the level of planned development would enable the cost per dwelling to be reduced accordingly, to make the most of the additional capacity increases along the A27 corridor beyond that required to mitigate the impacts of planned development currently in the future LP.

3.5 **Are The Works Still Necessary?**

3.5.1 While the SPD identifies that a review of the mitigation package has identified an uplift in the forecast costs, there is no suggestion as to whether any additional testing has been undertaken to ascertain whether the works themselves are still necessary, or at least in the form proposed.

3.5.2 Since the preparation of the transport evidence base associated with the current Local Plan, there has been significant change to transport – in both how it is perceived and how travel is undertaken. There has been significant cost of living pressures in recent years, with the cost of private travel increasing significantly through higher vehicle costs and fuel prices, at a time where household budgets have been squeezed by other economic pressures such as energy prices and inflation. This has occurred alongside other changes, particularly in post-pandemic society, where there has been a shift to hybrid and remote working and increases in online retail, amongst other things, that has led to a reduced need for travel. National policy now places greater emphasis on the need for sustainable travel, alongside a greater national awareness of climate change and environmental impacts.

3.5.3 The transport evidence base associated with the future Local Plan identified that the proposed A27 mitigation package went beyond that required to directly mitigate the impacts of development, and that the inputs (e.g. trip generation per dwelling) had been overestimated. Indeed, it is understood that the most recently released version of the evidence base cites impacts at locations other than the A27, such as non-primary roads, as being the key constraint to increasing housing numbers.

3.5.4 Therefore, it is surprising that the opportunity to review the mitigation requirements as part of the new SPD has not been taken in order to refine the mitigation requirements – it may be that a mitigation package identified more than 10 years ago is no longer appropriate, affecting how and what contribution is sought. A greater emphasis on mitigating the impacts of development using means of encouraging sustainable travel may result in a more cost-effective approach to managing the impacts of development, reducing the shortfall between what is secured and what financial contributions are still required. There is no evidence in the SPD that this has been explored.

3.6 **How Long Will the SPD Be in Place?**

3.6.1 Reference is made to the SPD being active until such a time the new LP has been adopted, at which time the SPD will be withdrawn. However, this raises a number of questions:

- How much development can be permitted under the new SPD? Presumably there is a limit to the extent of impact that can be mitigated by the A27 mitigation package of the current plan?
- Linked to the above, if that capacity is exceeded will development proposals be expected to fund the works required to mitigate now approved allocated development as well as addressing its own impacts – i.e. will there be ‘double dipping’, requiring a contribution + additional works?
- As the mechanism to secure contributions towards future Local Plan development has been removed from the SPD, upon adoption of the new LP and withdrawal of the SPD, does this create an undefined time period where there is effectively a moratorium on development until such a time a new mechanism is devised, consulted upon and adopted?

3.6.2 In the absence of a mechanism for future LP development, the SPD does not enable a seamless transition from the current LP to the future LP and could delay development that is ready to come forward early in the next plan period.

3.6.3 At this time, there is still uncertainty as to whether the new Local Plan will be found ‘sound’ following examination and, even if it is, the timescale for the Local Plan to be adopted. This could result in the SPD being in place for longer than anticipated, or inadvertently being in place on a more permanent basis than the interim measure the SPD is intended to be. Should the SPD be adopted, it is recommended that this is done so with a review mechanism put in place – after a period of 2 years, for example – to enable the relevance, need and appropriateness of the SPD at the time should it remain continue to remain in place.

SECTION 4 Conclusions

- 4.1 Unlike the 2023 version of the SPD, the 2024 document focusses solely on securing contributions from windfall developing coming forward prior to the adoption of the future CDC Local Plan to seek to secure contributions towards a shortfall in funding required to deliver the A27 mitigation associated with the adopted Chichester District Local Plan (2014-2029).
- 4.2 However, the SPD secures only a small percentage of the funding required, and it is unclear as from where the remaining 85%, or more, of the funding will be secured. The SPD indicates that the Council have been unable to secure central Government funding. However, no analysis has been presented to demonstrate whether the works are still required or relevant, given the time that has elapsed since they were identified.
- 4.3 Removing reference to the future Local Plan from the SPD, and the package of A27 mitigation measures associated with planned development in the future LP, gives rise to a number of questions that are not answered in the SPD consultation document, namely:
- If appropriate funding cannot be secured to deliver improvements from the adopted plan, what impact will this have on the delivery of improvements associated with the future plan?
 - Will planned development in the next Local Plan be required to plug the shortfall in funding arising from the current Local Plan?
 - Should the next Local Plan increase the number dwellings per annum in order to secure the necessary quantum of development required to deliver the A27 corridor mitigation?
 - What mechanism will be in place to ensure a seamless transition to a new charging regime upon withdrawal of the SPD, to enable development to come forward in a timely fashion as part of the next plan period?
- 4.3.1 Gleeson recommends that information relating to the apportionment of contributions associated with the A27 works arising from future planned development is taken forward at the earliest possible opportunity to enable a seamless transition and prevent development stalling in the absence of an appropriate mechanism. A review mechanism for the SPD should also be put in place, should it be adopted and remain active for longer than anticipated in the event that Plan adoption does not occur / is delayed.
- 4.3.2 In the absence of alternative funding sources, an increase in the rate of housing delivery represents the most viable means of securing the necessary financial support to enable the delivery of infrastructure required by the Council/s.