

Enterprise and Infrastructure Committee**2 April 2014****Transport Infrastructure Developer Contributions****Report by Executive Director (Environment)**

This report recommends modifications to the Supplementary Guidance in response to the consultations and the adoption of the finalised Supplementary Guidance on Transport Infrastructure Developer Contributions. The Supplementary Guidance will be submitted to Scottish Ministers for approval.

1. BACKGROUND

- 1.1 On 7 November 2012 (Report No 12/506) the Enterprise and Infrastructure Committee approved, as a basis for consultation, a draft paper setting out the Council's proposals for implementing Supplementary Guidance for the collection of developer contributions towards the cost of meeting transport infrastructure improvements. The draft Supplementary Guidance proposed a standard contribution from all new developments which would be applied within a defined zone around Perth. These contributions would then be used to help deliver transport infrastructure improvements necessary to reduce congestion, improve air quality and benefit the local and regional road network.
- 1.2 The supplementary Guidance has been developed to facilitate the future growth of the Perth area. The capacity constraints within the road network cannot be attributed to an individual development site as it is the result of the cumulative impact of all the development sites identified in the Local Development Plan. The total infrastructure costs cannot be met by the Council alone and to support future growth it is appropriate that a fair and reasonable contribution related to the scale and nature of any proposed development is sought. To deliver the necessary infrastructure, the Council will require to take the lead, thus benefiting the development industry by releasing development sites which would otherwise be constrained.

2. MAIN ISSUESConsultation

- 2.1 In reviewing the comments received through the consultation, it was apparent that, as consulted on, the Supplementary Guidance did not provide a sufficient level of clarity. In the interest of providing further information, the Council held a workshop on 20 February 2013. This workshop allowed for interested parties to further discuss any issues raised in response to the consultation. The outcomes of the consultation and workshop were considered and the draft Supplementary Guidance modified appropriately.

- 2.2 The modified Supplementary Guidance was re-consulted on in May 2013 with all interested parties being notified.
- 2.3 The consultations attracted responses predominantly from the development industry. Although the house builder representatives 'Homes for Scotland' objects to the principle of the Supplementary Guidance, a number of their local member supported it. They appeared to acknowledge that unless an effective solution to the road network constraint was available, there was little prospect of their sites being developed.

Transport Modelling

- 2.4 One of the concerns related to the level of contribution which was attributed to new development. SIAS Transport Consultants were commissioned in July 2013 to carry out a review of the method of calculating the contribution level and review the traffic modelling data to reflect the outcome of the Reporter's recommendations to the Local Development Plan. As a result of this work, the impact of new development was projected to be higher and the proportionate contribution increased from 56% to 61% of the transport infrastructure costs.
- 2.5 As a result of the outcomes of the SIAS work and further taking account of ongoing discussions with 'Homes for Scotland', the Supplementary Guidance was once again modified in November 2013. This revised document was distributed to interested developers to seek any additional comments over those which had already been submitted. The limited number of further responses which were received generally reflect comments which had already been expressed through the May 2013 consultation.

Consultation Responses

- 2.6 A review of the comments identifies that the main concerns arising from the development industry are:
- The Supplementary Guidance does not meet the tests of Circular 3/2012: Planning obligations and Good Neighbour Agreements;
 - The Transport Infrastructure Package was not directly related to new development;
 - The method of applying the contribution level;
 - The level of the contribution in relation to viability;
 - The lack of exemption for affordable housing.
- 2.7 A breakdown of all submissions received on the May 2013 consultation and officers' response to these comments are set out in Appendix 1 to this report.

3. PROPOSALS

Circular 3/2012

- 3.1 At the time of drafting, the Supplementary Guidance was considered to be the most fair and equitable way of applying contributions towards transport infrastructure.
- 3.2 Throughout the consultation periods, it was deemed that while the principle of the proposal met the requirements of government guidance it required a number of modifications, to ensure it was robust, fair and transparent. Despite these modifications the majority of the development industry continues to contend that, as proposed, the principle of the Supplementary Guidance do not meet the tests of Circular 3/2012. The Council set up a working group which included external legal advisors with experience in these issues across Scotland. Having sought the views of the working group, comprising of leading experts on planning law, officers are satisfied that as proposed the Guidance does meet the requirements of the Circular and takes account of caselaw.

Transport Infrastructure Package

- 3.3 While the overall infrastructure package set out in 'Shaping Perth's Transport Future' is required to support future development and ensure the road network operates effectively, not all of the individual components within the strategy are necessary to deliver the future development. Online improvements such as bus lanes, cycle lanes and city centre enhancements are about maintaining the existing network capacity but are not required to create the additional capacity necessary to deliver the Local Development Plan. As such the infrastructure package has been revised to only include the infrastructure which is essential and has been reduced from £135 million down to £109 million. This restriction is, in part, a result of the consultation exercises which were undertaken with the development industry. This infrastructure package now proposed is as follows:

Element	Cost £
Cross Tay Link Road	£88m
Park and Ride	£4m
A9/A85 Crieff Road junction improvements	£17m
Total	£109m

Note: The costs presented have been calculated in 2013 using industry standards and include appropriate optimal bias. When each element is tendered, the project costs will be reviewed and finalised.

- 3.4 The Council approved a 7 year Capital Budget for 2014/15 to 2020/21 on 13 February 2014. This included provision for the A9/A85 Crieff Road junction improvements. Further phases will need to be considered in a future capital budget setting processes.

Applying the contribution

- 3.5 The method of applying the contributions to residential developments and retail developments was identified as an area which required modification. The original draft Supplementary Guidance had proposed that contributions would be calculated per m² based on the Gross Internal Area of new residential properties.
- 3.6 Discussions on this issue identified that the development industry would prefer a single flat rate contribution per new residential unit as this will make it easier to calculate the viability of new sites while being more open and transparent.
- 3.7 This single rate for residential development has been calculated on the basis of an average new dwelling in Perth and Kinross at 91m². The area in which the contribution will be sought has been divided into two tiers. The first tier which contains the vast majority of new development sites in Perth corresponds to the Perth Core Area defined by TAYplan. This includes the settlements of Perth, Scone, Almondbank, Bridge of Earn, Oudenarde, Methven, Stanley, Luncarty, Balbeggie, Perth Airport and also the land between these settlements surrounding the main transport routes into Perth. The second tier relates to all other land within the Supplementary Guidance boundary and the contribution rate in this area will be reduced by 25% to reflect the reduced direct impact on the transport network. A single rate for retail developments has also been introduced, again with a 25% reduction applied to the second tier.

Viability

- 3.8 The impact of the contributions on the viability of new developments was identified as a concern. It is recognised that in some cases the application of the contribution may impact on site viability. However by identifying the costs upfront, it allows Developers to take the requirement for all contributions into account in their financial appraisal and purchase of development sites. Where a proposal supports specific Council Objectives such as regeneration or significant economic benefit but where it would not be viable due to the application of the Supplementary Guidance, the Council may enter into negotiations to reduce contributions with each case determined on its own merits. Where the Council agrees such a reduction, this will impact on the total amount recouped toward the infrastructure costs. A protocol for agreeing any variation in the contribution level will be established to ensure this process is consistent and transparent.

Affordable Housing

- 3.9 The consultation responses contended that affordable housing should be exempt from making a contribution. The justification relates to the impact of the contributions on development viability and delivery of the affordable housing in line with the agreed policy. It was also stated that it would make it harder to negotiate the delivery of necessary affordable elements within proposed developments.

- 3.10 It is acknowledged that the application of developer contributions to affordable housing may impact on the viability of delivering some sites. It is also recognised that affordable housing will have an impact on the road network.
- 3.11 With approximately 95% of the occupiers of affordable housing already residing in Perth & Kinross, this sector has a reduced impact on the road network. To reflect this, the contribution rate for affordable units has been reduced by 50%.

Summary of Proposed Changes

- 3.12 It is considered that the changes outlined above help clarify the Supplementary Guidance and that it is considered to be a robust, transparent and fair method of mitigating the impact of new development on the road network, and in relation to the transport infrastructure which is necessary to address this constraint.
- 3.13 The main principles of the Supplementary Guidance are as follows:
- The Guidance will apply to all new development within the defined boundary from the date of adoption by the Council;
 - Two tiers of contribution level are defined;
 - Residential development will be applied at a flat rate;
 - Affordable housing rate will be reduced by 50%;
 - Non-residential uses will have contribution calculated per m²;
 - Where land is contributed towards the identified transport infrastructure, a reduction in the contribution level may be negotiated;
 - Contribution levels will be reviewed every 5 years;
 - Contributions may be paid upfront of release of planning consent or be secured by means of a Section 75 Legal Agreement (or Section 69 Legal Agreement) between the Council and the developer/landowner.

Interim measure

- 3.14 From 7 February 2014 until the Supplementary Guidance is adopted, new major planning applications or new applications which form part of sites identified in the Local Development Plan will be treated as being constrained by the transport infrastructure. Upon adoption of the Supplementary Guidance by the Council, a contribution will be required as the means of addressing this constraint.

4. CONCLUSION AND RECOMMENDATION(S)

- 4.1 The current road network in and around Perth is now reaching capacity. The cost of the required transport infrastructure required to provide additional network capacity supporting future development in Perth and Kinross cannot be borne by the Council alone.

Failure to implement this Supplementary Guidance would compromise the delivery of the necessary transport infrastructure and the implementation of the Local Development Plan strategy recently supported by the Reporter's following the examination process of that Plan.

- 4.2 The recommendation set out in this report introduce changes to the draft Supplementary Guidance which reflect the reasonable concerns of consultees without undermining the Council's objectives as set out in the TAYplan and the Local Development Plan. The revised document is attached under Appendix 2. The implementation of this Supplementary Guidance will enable the Council to raise significant funds towards the delivery of the package of transport infrastructure improvements. It sets out a consistent and transparent approach towards applying developer contributions to support the delivery of necessary transport infrastructure which will assist landowners, developers and other organisations involved in the development process.
- 4.3 The Supplementary Guidance will be applied to all new planning applications from April 2014. Residential development is likely to make the largest contribution towards the transport infrastructure due to the level of completions and the Supplementary Guidance identifies a maximum flat rate contribution rate for residential properties at £3,549 per unit with a 50% reduction for affordable properties at £1,775 per unit. Other land uses such as employment and retail development will make a contribution calculated on each additional m² of floorspace.
- 4.4 Upon adoption by the Council, the Supplementary Guidance will be submitted to Scottish Ministers for consideration. After 28 days have elapsed, the authority may then formally adopt the guidance unless Scottish Ministers have directed otherwise. Once formally adopted, the Supplementary Guidance will form part of the Local Development Plan.
- 4.5 The Committee is asked to:
 - (i) Note the response to the consultation;
 - (ii) Agree the proposed terms of the Supplementary Guidance;
 - (iii) Approve the interim measure described in paragraph 3.11 until the adoption of the Transport Infrastructure Supplementary Guidance;
 - (iv) Agree to adopt the finalised Supplementary Guidance on Transport Infrastructure Developer Contributions for all applications submitted after 2 April 2014;
 - (v) Approve the submission of the Supplementary Guidance to Scottish Ministers.

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Approved

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	Yes

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The Perth and Kinross Community Planning Partnership (CPP) brings together organisations to plan and deliver services for the people of Perth and Kinross. Together the CPP has developed the Perth and Kinross Community Plan which outlines the key things we think are important for Perth and Kinross.

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

- 1.2 It is considered that the strategy and related actions will contribute to the following objectives:

- (iii) Promoting a prosperous, inclusive and sustainable economy
- (v) Creating a safe and sustainable place for future generations

Corporate Plan

- 1.3 The Council's Corporate Plan 2013-2018 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. The report impacts on the following:

- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (v) Creating a safe and sustainable place for future generations.

2. Resource Implications

- 2.1 The Head of Finance has been consulted in the preparation of this Report. There are no financial implications arising directly from the recommendations of this Report.

3. Assessments

Equality Impact Assessment

- 3.1 An equality impact assessment needs to be carried out for functions, policies, procedures or strategies in relation to race, gender and disability and other relevant protected characteristics. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new and existing policies.
- 3.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

Assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

- 3.3 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).
- 3.4 The matters presented in this report were considered under the Environmental Assessment (Scotland) Act 2005 and pre-screening has identified that the PPS will have no or minimal environmental effects, it is therefore exempt and the SEA Gateway has been notified. The reason(s) for concluding that the PPS will have no or minimal environmental effects is that The SG provides a methodology for the calculation of Developer Contributions towards funding transport infrastructure. It is not directing development or adding to any other part of the adopted Local Plans or Proposed Plan.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.6 The proposal contained within the report are assessed to have a positive impact on sustainability, particularly with regard to delivering transport infrastructure including Park and Ride thus encouraging sustainable modes of transport.

Legal and Governance

- 3.7 The Head of Legal Services has been consulted and no legal implications have been identified.

Risk

- 3.8 The main risk to the Council relates to a potential challenge from the development industry regarding the interpretation of how the Supplementary Guidance meets the requirements of Circular 3/2012: Planning obligations and Good Neighbour Agreements.
- 3.9 Legal advice has been sought and it is concluded that the Supplementary Guidance as outlined in this report is in line with the requirements of Circular 3/2012. In the event of any challenge the Council will have to defend its decision based on evidence provided through legal correspondence.

4. Consultation

Internal

- 4.1 The Head of Legal Services, the Head of Finance and the Head of Democratic Services have been consulted on the preparation of this report.

5. Communication

- 5.1 Upon adoption of the Supplementary Guidance a notification will be sent to interested parties. The Supplementary Guidance will be forwarded to Scottish Ministers. The Supplementary Guidance will be placed on the Council website.

2. BACKGROUND PAPERS

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing the above report.

- Planning Circular 3/2012: Planning obligations and Good Neighbour Agreements
- TAYplan Strategic Development Plan 2012
- Perth and Kinross Local Development Plan February 2014
- Report No 12/506 to Environment & Infrastructure Committee 7 November 2012

3. APPENDICES

Appendix 1 – Officer response to consultation response on revised Transport Infrastructure Supplementary Guidance May 2013

Appendix 2 – Revised Transport Infrastructure Developer Contributions Supplementary Guidance

Submission	Council Response	Recommendation
<p>The Supplementary Guidance does not meet the tests of Circular 3/2012 and is therefore illegal. The contributions are not reasonably related to new development and should not be used to resolve existing traffic problems or make up for deficiencies in public funding. No justification for the Guidance has been provided. (16 Submissions)</p>	<p>The Supplementary Guidance is not about the impact of an individual development but considers the cumulative impact of all developments across the Perth HMA and Perth part of the Dundee HMA. Legal opinion has been sought on this approach and it has been found to be acceptable and meets all the tests of Circular 3/2012. The Circular allows contributions to be sought for essential infrastructure, be calculated on the cumulative impact of new development and be proportionate. The Supplementary Guidance meets each of these tests. The delivery of the Transport Infrastructure is required to support current and future growth of Perth and Kinross. Without its delivery the road network would be constrained and no further development could be accommodated. The contribution only relates to the delivery of the identified infrastructure. The Council has commissioned SIAS to model the traffic impact of future development identified in the LDP. The contribution level is based upon the proportionate impact of this development on the transport network.</p>	<p>No Change.</p>
<p>It is accepted that there is a planning purpose in that the proposed Supplementary Guidance aims to help deliver Proposed LDP sites. However, the relationship, as it has been identified in advance, should be tested through the Local Development Plan Examination. (1 Submission)</p>	<p>This issue has been considered through the LDP examination and has been found acceptable.</p>	<p>No Change.</p>

Submission	Council Response	Recommendation
<p>The Supplementary Guidance considers housing development differently to new employment uses as a result of the current economic climate. It has to be recognised that house building is a major employment use that will contribute significantly to economic recovery. It is therefore not reasonable that house building should subsidise other land uses in terms of the delivery of developer contributions. (1 Submission)</p>	<p>The proportionate contribution towards the transport infrastructure has been calculated using the same method for each type of development. The Council will front fund the transport infrastructure and where a reduction in the contribution level is agreed it will not be passed onto other developments to make up the deficit. Any reduction in contribution level will be considered on its individual merits.</p>	<p>Paragraph 3.8 clarifies that any reduction will be determined on an individual basis on viability grounds and where a proposal supports specific Council objectives. Reference to a reduction in contribution level to support employment use delivery has been removed.</p>
<p>The Supplementary Guidance is not clear on the level of funding which the contributions are based upon and what infrastructure the contribution will be used for. The costs should be fully identified before calculating the contribution levels. (4 Submissions)</p>	<p>The contribution will be calculated on the basis of the identified infrastructure package of £109m. This is reduced from the £135m cost which was consulted on. The CTRL, A9/A85 Junction and the Park & Ride sites are essential to supporting future development in Perth & Kinross. The other transport infrastructure improvements are required to maintain the benefits to the network but are not directly attributable to supporting the increased road network capacity. The Transport Infrastructure package has been calculated using industry standards. Until the projects are put out for tender the final project costs cannot be finalised. The contribution level will be reviewed every 5 years.</p>	<p>Paragraph 2.7 has been clarified to outline which infrastructure it will fund and the total cost on which it has been calculated.</p>
<p>The projected CTRL costs include the link from the A9 south of Luncarty to the A85/A9 Junction. The purpose of the CTRL is to cross the Tay and provide an alternative east-west crossing. There is no wider benefit from this section of the CTRL other than to open up development land at Bertha Park/Almond Valley. This is not a cost which should be borne by other developments. (1 Submission)</p>	<p>In order to provide the full benefit to the road network the CTRL requires to link through Bertha park to the A9/A85. The strategy of the LDP has been developed around the strategy of the Perth Transport Futures work. Even without the delivery of Bertha Park the route of the CTRL would remain as it relieves the traffic pressure at Inveralmond by providing an alternative access to the industrial estate. Therefore it is appropriate to distribute the cost of this link among all developments as it supports the wider delivery of development sites.</p>	<p>No Change.</p>

Submission	Council Response	Recommendation
<p>The Sainsbury Supermarket development will contribute £2.18 million to the cost of the A9/A85 Junction. This £2.18 million should be deducted from the overall cost of the A9/A85 Junction. (1 Submission)</p>	<p>The Council is front funding the transport infrastructure to support the delivery of future development. It is not expected that the full proportionate contribution level will be collected from new development. The contribution towards the junction from Sainsbury's will be considered as a contribution towards the overall transport infrastructure package in the same way as contributions made through this Supplementary Guidance. This contribution will therefore not be deducted from the overall transport infrastructure package cost.</p>	<p>No Change.</p>
<p>The revised Supplementary Guidance shows a substantial increase in sums being sought from residential development between the drafts of the SG, both in terms of the proportion of the fund being sought from residential developments and the increase in rate per m². No explanation of this has been provided. (3 Submissions)</p>	<p>The change in contribution levels attributable to residential development between the two consultations versions of the SG was a result in the way the contribution level was calculated. The original calculation in November 2012 was based upon a site density 30 units per ha. The TRICS data was then altered to reflect this expected density. Upon a review of the actual density found in the Perth Housing Market Area and comparing that with the density of residential sites calculated through the TRICS data it was found that the density was broadly similar at 68 units per ha. To ensure the data used in calculating the proportionate contribution levels was consistent across all future development types the contribution calculation was revised using just the TRICS data for the May 2013 version of the SG. As a result the proportionate level of contribution attributable to residential development increased and in turn the contribution level increased.</p>	<p>No Change.</p>

Submission	Council Response	Recommendation
<p>Affordable housing should be exempt from making a contribution. The introduction of additional developer contributions of this kind could potentially undermine affordable housing policy delivery and will impact on development viability. Will make it harder to negotiate the delivery of necessary affordable elements proposed developments. (4 Submissions)</p>	<p>It is acknowledged that the application of developer contributions to affordable housing may impact on the viability of delivering some sites. But it is also recognised that affordable housing will have an impact on the road network. But in many cases the occupiers of affordable housing already reside in the local area so are likely to have a reduced additional impact on the road network. To reflect this, the contribution rate for affordable units has been reduced by 50%. Where the required contribution level impacts on development viability and the proposal supports specific Council Objectives the Council may enter into negotiations to reduce the contribution with each case assessed and determined on its own merits.</p>	<p>Modify the Supplementary Guidance to reflect the reduced contribution rate for affordable housing units.</p>
<p>While the provisions of paragraph 3.8 are welcomed, it is considered that it is not comprehensive enough. This should set out all circumstances where reductions if the contribution level for affordable housing will be made. (2 Submissions)</p>	<p>The suggested modifications would enter a number of caveats for the reduction in contributions but would not cover all eventualities. The SG has been modified to remove reference to a reduction in contribution level where an RSL acquires land on the open market. This has been replaced by paragraph 3.8 which states that Where a proposal supports specific Council Objectives such as regeneration or significant economic benefit and where it would not be viable due to the application of the Supplementary Guidance the Council may enter into negotiations to reduce the contribution with each case assessed and determined on its own merits.' It is considered that this wording provides suitable flexibility to assess the merits of sites on an individual basis and determine whether the viability of these sites would warrant a reduction in contribution level.</p>	<p>Paragraph 3.8 clarifies that any reduction will be determined on an individual basis on viability grounds and where a proposal supports specific Council objectives.</p>

Submission	Council Response	Recommendation
Object to Perth & Kinross Council failing to consider that every trip has an origin and a destination and would challenge how on this basis that residential should have to contribute 70% of the overall sums. (2 Submissions)	The Council has commissioned SIAS to model the traffic impact of future development identified in the LDP. This work considers the cumulative impact of all developments across the Perth HMA and Perth part of the Dundee HMA taking account of all relevant traffic modelling information. The contribution level is based upon the proportionate impact of this development on the transport network.	No Change.
When an extension is added to a retail store, this additional floorspace does not create the equivalent additional trips or turnover as brand new floorspace. Applying 100% of the trip rate to additional floorspace through an extension is not appropriate. (1 Submission)	The Supplementary Guidance has been modified with a single contribution rate being applied to all retail development. The average of the trip rate from different types of retail development has been used to calculate the contribution rate therefore taking account of the impact of both new retail and extensions to existing sites. For clarity and ease of use this single rate will be applied to all new retail developments.	The Supplementary Guidance modified to identify the application of contributions to retail development to a single rate.
Suggest that the TRICS data should be weighted to account for the anticipated type of development envisaged within the LDP. Recommend that average trip rates are not used and that proposed trip rates are factored according to the anticipated development content of the LDP. (1 Submission)	In line with the TRICS Code of Good Practice 2012 the most robust set of data as possible has been used which includes all developments across the U.K which have been assessed through TRICS. The trip generation of developments in Perth and Kinross has not been shown to be significantly different to that from other similar developments across the U.K. The density of new sites in the Perth Housing Market Area with permission in the 2012 Housing Land Audit is almost the same as the average U.K density at 68 units per Ha. No evidence has also been shown that the trip rate from supermarkets or employment uses within Perth and Kinross is also significantly different from other parts of the U.K. The SG contribution level is calculated on the basis of averages.	No Change.

Submission	Council Response	Recommendation
	<p>This is to simplify the contribution levels and provide clear certainty to the development industry. It was originally looked at to provide a contribution rate for each individual type of development which would more closely align with the individual trip generation of new developments on the network, but this was dismissed as being too complicated and unpractical. Due to changes in the development industry and the market over the full 30 year period in which the contributions are calculated it is not possible to accurately project the types of development which will take place on each site.</p>	
<p>Concern that the level of contribution may be too high, particularly when considering other developer contributions that may also be required. These developer contributions policies are yet to be scrutinised at Examination and it is therefore premature to take forward this document until all developer contributions matters have been considered. Developer contributions need to be assessed holistically to ensure allocations are not rendered unviable. (6 Submissions)</p>	<p>The LDP Examination has considered Policy PM3: Infrastructure Contributions and the principle of the Transport Infrastructure Supplementary Guidance. The approach being taken by the Council has been found acceptable and the LDP is adopted. Developers are expected to take the requirement for all contributions into account in their financial appraisal and purchase of development sites. Where a proposal supports specific Council Objectives such as regeneration or significant economic benefit and where it would not be viable due to the application of the Supplementary Guidance the Council may enter into negotiations to reduce the contribution with each case assessed and determined on its own merits.</p>	<p>No Change.</p>

Submission	Council Response	Recommendation
The SG lays significant emphasis on the contribution from housing to the Developer contributions. The construction industry around housing is a significant employer and economic generator and should be given every chance to succeed given the need for housing in the area. (1 Submission)	The SG identifies a proportionate contribution to each type of development based upon its impact on the road network. Residential development will deliver the largest volume of development over the next 30 year period and the contribution levels are calculated accordingly.	No Change.
The AECOM study is underway and could have significant implications for the trunk road network around Perth and the transport package being promoted. This policy is premature. (3 Submissions)	The package of infrastructure measures has been developed through the 'Perth Transport Futures' work and provides a solution to local traffic issues. The AECOM study will look at the strategic road network and will provide a range of options for improvements to the A9 only. While the outcomes of the AECOM study may provide additional benefits to the local transport network the report has not yet been published and no timescale is in place for the implementation of its recommendations. The package of measures for which contributions are being collected are required to open up the strategic development sites and deliver the strategy of the Local Development Plan.	No Change.
Contributions should be reduced in the case of planning permissions for extensions and redevelopment of existing employment uses. (1 Submission)	Developers are expected to take the requirement for a transport infrastructure contribution into account in their financial appraisal and purchase of development sites. Where the required contribution level impacts on development viability and the proposal meets the Council Corporate Plan Objectives the Council may enter into negotiations to reduce the contribution with each case assessed and determined on its own merits. The May 2013 consultation version of the SG identified that the Council would consider a reduction on the contribution level for extensions to existing employment uses. This issue will now be considered on a case by case basis to determine whether a reduction is appropriate.	Paragraph 3.8 clarifies that any reduction will be determined on an individual basis on viability grounds and where a proposal supports specific Council objectives.

Submission	Council Response	Recommendation
<p>Paragraphs 3.6-3.8 states that contributions may be revised downwards for certain types of development to support the growth of employment. It is noted that house building is not included. New houses should have contributions reduced the same as the other types of development identified.</p>	<p>The Council is front funding the Transport Infrastructure package in order to support the delivery of the future development sites. The Council does not expect to recover all of the costs apportioned to new development. Therefore where the Council agrees to reduce the contribution level a factor in this decision will be how this impacts on the repayment of the debt the Council has accrued. Perth and Kinross Council recognise the contribution the development sector makes to the economy but without the development industry making an appropriate contribution to the infrastructure future development sites will not be released. The statement regarding reductions from employment uses has now been removed from the SG and these cases will be considered individually.</p>	<p>Paragraph 3.8 clarifies that any reduction will be determined on an individual basis on viability grounds and where a proposal supports specific Council objectives.</p>
<p>Clarification is required as to what is meant by 'evidence a reduce trip rate for the proposal' and who is to decide whether the predicted level of increased trip making by sustainable modes of transport is of sufficient amount to result in a reduced contribution. Similarly, what monitoring mechanism, frequency and for how long, are the Council likely to agree to? Why is the potential level of contribution reduction limited at this stage to 30% (1 Submission)</p>	<p>A review of this proposal found that it is not possible to cover all eventualities within the policy wording. It has therefore been removed from the SG. Under paragraph 3.8 where a proposal supports specific Council Objectives such as regeneration or significant economic benefit and where it would not be viable due to the application of the Supplementary Guidance the Council may enter into negotiations to reduce the contribution with each case assessed and determined on its own merits.</p>	<p>Paragraph 3.8 clarifies that any reduction will be determined on an individual basis on viability grounds and where a proposal supports specific Council objectives.</p>
<p>What is the definition of economic development land? (1 Submission)</p>	<p>As a result of a further information request through the LDP examination this paragraph has now been revised to read 'employment land'. Employment Land is defined as land safeguarded for employment uses and job creation with the exception of retail and house building.</p>	<p>Modify reference to 'economic development land' to read 'employment land'.</p>

Submission	Council Response	Recommendation
It should be added that stakeholders will be consulted with, and have a chance to comment on, a review of the contribution levels. (1 Submission)	The Council will consult with stakeholders on any significant change, such as a review of the contribution levels, as required by statute. It is not considered necessary to include this provision in the SG.	No Change.
The wording in the Draft Guidance appears to imply that all contributions from within the defined area at Appendix 1 will be allocated towards funding transport infrastructure in and around Perth with no potential for contributions from or to other areas or transport proposals - for example, developer contributions within the Dundee HMA located within Perth & Kinross potentially contributing to the proposed Dundee Park & Ride. (1 Submission)	The contributions are required to facilitate the package of infrastructure measures identified through the Shaping Perth's Transport Future Study which identifies local transport issues. No agreement is in place between neighbouring local authorities which would allow for contributions to be used in this way and no justification has been identified as to how it would meet the tests of Circular 3/2012.	No Change.
Do not agree that the assessment of residential sqm is based on Gross Internal Area (GIA) and includes incidental space and garages. Values of homes and development viabilities are based on net internal area and therefore the use of GIA cannot be supported. The use of GIA may be appropriate for non-domestic premises it is not for domestic premises. (3 Submissions)	Contributions from residential development will no longer be calculated on the basis of GIA. This calculation will only be used for non-residential developments.	Modify the Supplementary Guidance to identify a single contribution rate for residential development.
The opportunity exists for the financial contribution towards the CTLR from developers to be reduced if land is made available for the development of the CTLR. This proposal is welcomed, but seek further clarification as to how this principle is to be applied and if there will be a cap in the amount of the reduction in the potential contribution. (1 Submission)	In the event of a developer contributing land towards the development of the CTLR, the amount of contribution required under this mechanism may be revised. Each application will be considered on its individual merits, taking into account factors such as the value of the land, its condition and any remedial works required to make it suitable for use. Land values will be assessed independently by the District Valuer Service (or other mutually agreed appointee) with a joint brief being agreed between the Council and the applicant.	Paragraph 3.6 clarifies the principle of contributions being reduced when developers contribute land towards the transport infrastructure.

Submission	Council Response	Recommendation
The SG should be modified so as to specify the level of contribution applicable to: Landowner contributions of CTRL land, economic development land, town centre and brownfield regeneration, RSLs, bulky goods and sustainable transport where reductions in contributions may be acceptable. (1 Submission)	The SG sets out the contribution rates which would be sought from new developments. Each new development has different challenges and it may be appropriate for the Council to negotiate a reduction due to viability on a case by case basis. It is therefore not appropriate to try and identify all variations in the contribution levels which may be applied.	No change.
Contributions should not be applied to increases in floor space or additional houses in modifications of approved applications. (1 Submission)	The SG has been revised so that contributions would only be sought from extensions to existing properties or properties with planning consent if they are seeking to extend the property by over 50% in addition to the Permitted Development Allowance. It is acknowledged that sites are often remixed due to market conditions but each additional unit may have an additional impact on the road network. It is therefore considered appropriate to require additional units to make a contribution.	Paragraph 3.4 and 3.5 clarify how the Supplementary Guidance will be applied to extensions to residential units and remixes of sites with existing planning consents.
Include a flexible approach to payment phasing and clarify phased payments for affordable housing which is being rented. (4 Submissions)	The SG identifies that the preferred method for phased payments is through Quarterly payments made in arrears upon sale of each property, with full payment received upon the sale of the second from last property. Developers are not bound by this protocol but where a bespoke agreement is required; discussions should be entered into at the outset of the submission of a planning application to avoid delay processing the Legal Agreement. This will apply to all development types.	No Change.
Clarify what conditions/arrangements will apply to development and associated developer contributions out with the area shown in Appendix 1. (1 Submission)	The SG does not apply out-with the areas identified in Appendix 1. No contributions towards this transport infrastructure package will be required in these areas. Individual developer contributions such as the A9 Junction Improvements may apply depending upon where the development is situated.	No Change.

Submission	Council Response	Recommendation
Provide a response to the point that applying this SG may impact on the level of contribution available to deal with local issues which are more related to the planning application. (1 Submission)	The identified transport infrastructure is required to support the delivery of all development and the contribution has been calculated on the basis of the cumulative impact of development on the transport network. Where a development is required to mitigate its impact on the immediate local road network this will be determined on an individual basis in addition to the requirement set out in the SG. It is acknowledged it may have an impact the viability of some developments but Developers are expected to take the requirement for a transport infrastructure contribution into account in their financial appraisal and purchase of development sites.	No Change.
The SG should be revised to require open air markets to make contributions equivalent to those applicable to retail developments. (1 Submission)	Paragraph 3.7 has been modified to clarify that these types of developments will be calculated on an individual basis. This allows the Council to determine the impact of developments individually and apply an appropriate rate. It is not considered appropriate to define the rate which should be applied to open air markets in the SG.	No Change.
The trigger for applying the SG should not include applications that have been submitted prior to issue of the SG, are being considered by PKC but as yet no decision has been made. (1 Submission)	The SG will not be applied to applications which have been submitted prior to the SG being adopted unless it is a major application or where it forms part of a site identified in the LDP and was submitted after 07 February 2014. The Council will consider it to be premature in advance of the SG as it is identified as having a significant impact on the transport infrastructure.	No Change.

Submission	Council Response	Recommendation
<p>The SG should be modified to take account of the broader regional traffic patterns changes that are expected to result from the proposed development and to maintain the increased demand for land in other Perthshire HMA's and increased trip rate from these areas which will result from the transport infrastructure improvements. It should be revised after an analysis of traffic patterns at sub HMA level is carried out. (1 Submission)</p>	<p>The Council has commissioned SIAS to model the traffic impact of future development identified in the LDP. This work considers the cumulative impact of all developments across the Perth HMA and Perth part of the Dundee HMA. The contribution level is based upon the proportionate impact of this development on the transport network. This work was carried out using the most relevant data available including regional travel patterns. Legal opinion has been sought on this approach and it has been found to be acceptable and meets the tests of Circular 3/2012. The Circular allows contributions to be sought for essential infrastructure, be calculated on the cumulative impact of new development and be proportionate.</p>	<p>No Change.</p>
<p>The SG should apply to all Housing Markets Areas within Perth and Kinross therefore spreading the cost over a wider area and reducing it accordingly. (1 Submission)</p>	<p>Development in the Perth HMA and Perth part of the Dundee HMA will have the most direct impact on the Transport Infrastructure. The contribution level is based upon the proportionate cost of new development in these areas. The work carried out by SIAS has identified that the impact of developments in the other housing market areas is limited and forms part of the general background traffic growth. It is therefore not considered appropriate to modify the SG so that it applies to the whole of Perth and Kinross.</p>	<p>No Change.</p>
<p>Remove the town centre improvements from the overall costs. Contributions should be calculated on £105m. (1 Submission)</p>	<p>The transport infrastructure package has been clarified. Contributions will only be sought for infrastructure which is essential to support future development. This includes the A9/A85 Junction, CTRLR and the Park & Ride schemes. The total of this infrastructure package is £109m.</p>	<p>Paragraph 2.7 has been clarified to outline which infrastructure it will fund and the total cost on which it has been calculated.</p>

Submission	Council Response	Recommendation
Costs associated with land contributed towards the provision of the CTRL should be deducted from the overall CTRL package. (1 Submission)	Where land is contributed towards the CTRL its value will be reduced from the contribution which is due to the council from the associated new development. In accordance with paragraph 6.2 the contribution level in the SG will be reviewed within a 5 year period which will take account of any change in the overall project costs.	No Change.
Transport Scotland in 2012 produced an assessment of capacity of the Trunk Road Network to accommodate planned growth. This contained no suggestion either from Transport Scotland or from various authorities in which constraints are identified that development should fund the remedies. PKC is identified as a constraint but 90% of the LDP allocations could be accommodated. The future trunk road issues according to Transport Scotland are therefore related to the edge of Perth and they do not affect the vast majority of new housing. (2 Submissions)	The remit of Transport Scotland is to look at the Trunk Road network not the local road network. The identified package of measures relates to improving the local road network although it has been shown to have added benefits to the strategic network. Without the identified package while new development may be accommodated on the Trunk Road network it would not be acceptable on the local road network due to increased congestion and deterioration in air quality. Transport Scotland has been consulted on the content of the Local Development Plan and the Perth Transport Futures Work and is agreement with the content of these documents.	No Change.
House building has practically halted in Perth so why would the Council consider it helpful to add an average cost of around £4000 per unit. In addition to other contributions. There is no growth in housing values at present and no signs that this will improve. (1 Submission)	The Council acknowledges that applying the Supplementary Guidance may make some development sites less attractive. While this is the case the fundamental point exists that without the investment in the transport infrastructure the road capacity could not support further development. This would bring all future house building to a stop. The purpose of the SG is to facilitate future development and growth in Perth.	No Change.

Submission	Council Response	Recommendation
<p>It is disappointing that Scottish Government has not recognised the Cross Tay Link Road in particular as a National Project in the National Planning Framework Main Issues Report. It is understood that the assessment concluded that while the CTRL did not meet all the criteria for a National project, it does have impacts beyond the region. (1 Submission)</p>	<p>Discussions are ongoing between the Council and the Scottish Government on this issue. National Planning Framework 3 paragraph 2.18 states <i>'In some of our city regions, infrastructure capacity constraints are limiting the delivery of new housing and other development. We expect to see more concerted efforts – involving planning authorities, developers, government agencies and infrastructure providers – to remove these constraints.'</i> This commitment to joint working is identified as being helpful in these discussions.</p>	<p>No Change.</p>



Supplementary Guidance Development Contributions Transport Infrastructure

The Town and Country Planning (Scotland) Act 1997, section 22

Scottish Government Circulars

6/2013: Development Planning

3/2012: Planning Obligations and Good Neighbour Agreements

February 2014

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1 Introduction

- 1.1 The following Supplementary Guidance is about facilitating development. It sets out the basis on which Perth and Kinross Council (“the Council”) will seek contributions from developments in and around Perth towards the cost of delivering the transport infrastructure improvements which are required for the release of all development sites and to support the growth of Perth and Kinross.
- 1.2 This Supplementary Guidance should be read in conjunction with Local Development Plan Policy PM3: Infrastructure Contributions and Developer Contributions Supplementary Guidance.

2 Background

- 2.1 The Local Development Plan (“the LDP”) identifies that the biggest single constraint facing Perth and Kinross is the capacity of the roads infrastructure in and around Perth. Not only is congestion becoming a problem but the Council was required to identify Perth as an Air Quality Management Area due to the levels of pollution evident in several areas of the City. The principal cause of that pollution is standing traffic.
- 2.2 In October 2010 the Council published ‘Shaping Perth’s Transport Future: A Transport Strategy for Perth and the Wider Region’. This strategy emerged from traffic modelling work, which demonstrated that the combination of background traffic growth and new consented developments will cause in the near future not only unacceptable congestion, but also further exacerbate the existing poor air quality. At present the road network is effective but is close to reaching capacity. To support future development in Perth and Kinross doing nothing is not an option and an overreaching strategy is required.
- 2.3 At 2033 without the transport infrastructure in place the road network operation in and around Perth will deteriorate significantly. Projected levels of congestion will have significant impact on air quality, journey times and on the local economy in general. In particular, areas of the network which are affected significantly are at Broxden, the city centre and the A93/A94 approaches.

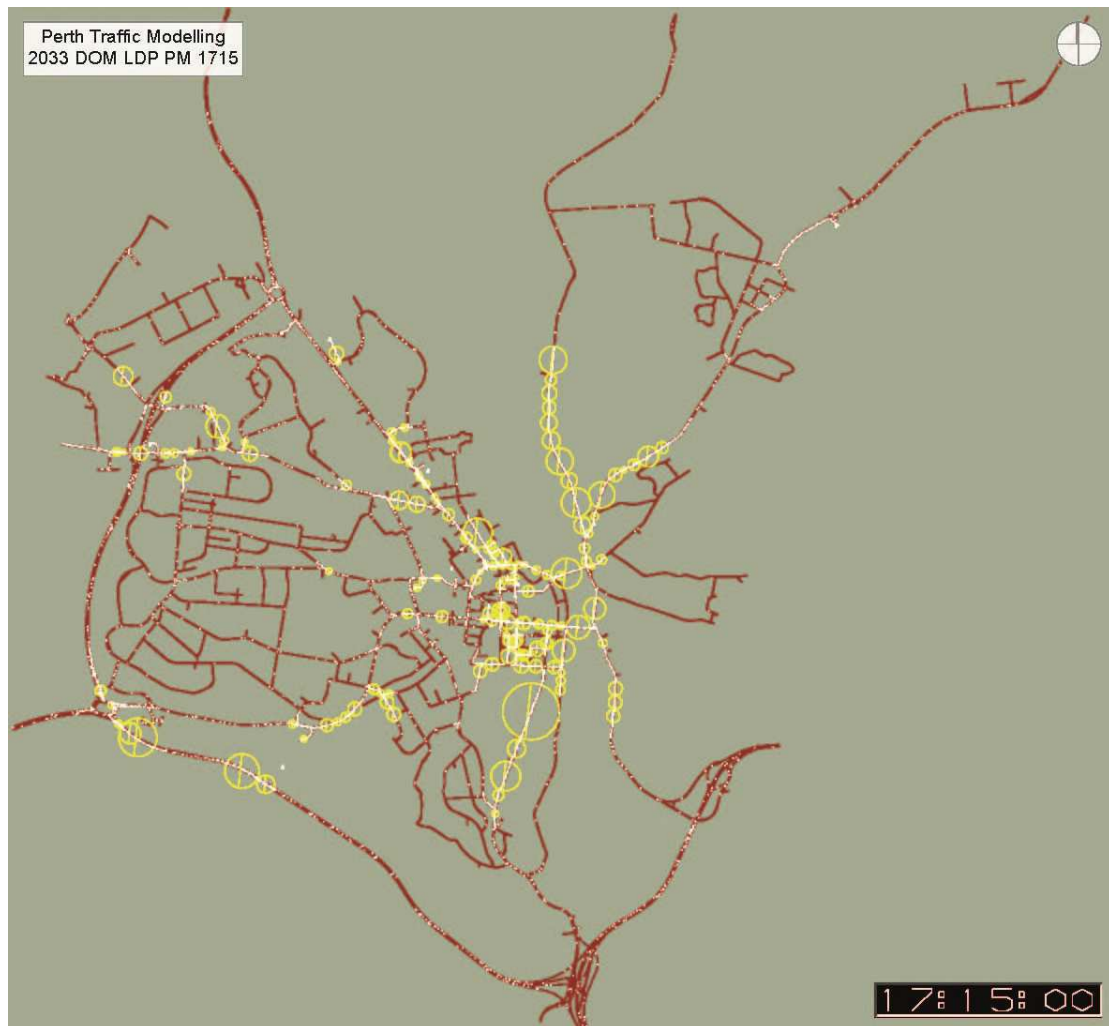


Figure 1: 2033 Do-Minimum Network + LDP Operation Plots – PM Peak

Note: The congestion hotspots are shown as circular rings at the points on the road network where congestion occurs. The bigger the circle, the greater the level of congestion.

- 2.4 The Council has been working in tandem with TACTRAN, (The Regional Transport Authority) in consultation with Transport Scotland to identify a package of measures, which will provide additional network capacity enabling the delivery of the LDP while also providing additional regional benefits to the national trunk road network. 'Shaping Perth's Transport Future' presents a range of different infrastructure packages and can be viewed on the Council website at the following link: www.pkc.gov.uk/transportconsultation
- 2.5 With the introduction of the full infrastructure package the road network with all of the LDP sites completed would operate at a similar level to that experienced in 2010. Without any significant increase in congestion on the network the Air Quality is unlikely to deteriorate significantly as a result of vehicle emissions.

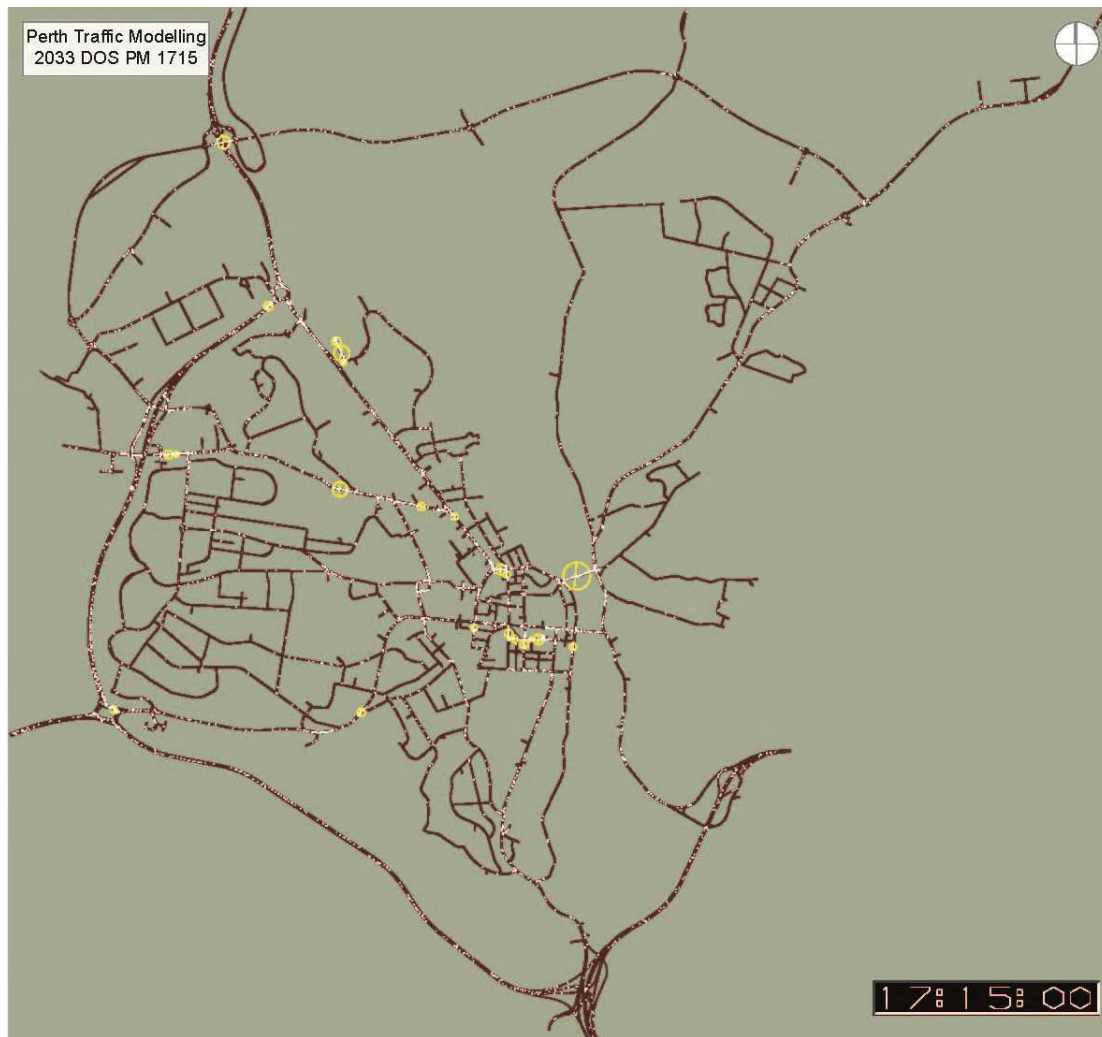


Figure 2: 2033 Do-Something Network Operation Plots – PM Peak – Includes A9/A85 Junction, CTRLR, Park & Ride schemes.

- 2.6 The constrained capacity of the road network cannot be attributed to an individual development site as it is the result of the cumulative impact of the developments sites identified in the LDP. This Supplementary Guidance has been prepared to address this constraint and supports the delivery of current and future development growth by seeking a proportionate contribution towards the transport infrastructure required to provide capacity on the road network. The principle of this approach has been considered through the LDP Examination and has been found acceptable. This Supplementary Guidance takes account of case law, Circular 3/2012: Panning Obligations and Good Neighbour Agreements, representations from statutory agencies, the development industry and others during the consultation processes.
- 2.7 While the overall infrastructure package set out in ‘Shaping Perth’s Transport Future’ is required to support future development and ensure the road network operates effectively, the Council is only seeking contributions from the package of measures which are essential to support delivery of the LDP. The projected costs of the infrastructure have been estimated in line with industry standards. Any review of

these costs and subsequent change to the contribution level will go through the statutory consultation procedure. The current working estimates are as follows:

Element	Cost £(million)
Cross Tay Link Road ("CTLR")	£88m
Park and Ride	£4m
A9/A85 Crieff Road junction improvements	£17m
Total	£109m

- 2.8 Placing the funding of these transport improvements solely on landowners and developers would not be feasible or legal and this Supplementary Guidance does not seek to recoup all of the costs, but seeks a fair and reasonable contribution related to the scale and nature of any proposed development. Traffic modelling work carried out has identified that 61% of future traffic growth is associated with new development sites in the LDP. Details of this this modelling work can be found in the SIAS Transport Infrastructure Developer Contributions Methodology is available on the Council website at the following link: www.pkc.gov.uk/developercontributions
- 2.9 With 61% of the total package costs (£66.49m) attributed to new development, the remainder (£55.59m) is to be sought through other mechanisms. To meet the costs of the entire infrastructure package the Council will continue to investigate other funding mechanisms, including working with government bodies to bring forward funding.
- 2.10 The Transport Infrastructure contributions will only be used for the identified packages outlined in Paragraph 2.7. This contribution shall be considered as being additional to any other site specific transport contribution required in relation to the development.
- 2.11 A graduated approach has been taken in defining the contribution boundary. Traffic modelling work has been identified that the largest impact on the road network comes from within the Perth Housing Market Area (HMA) including the Carse of Gowrie part of the Dundee HMA. The defined area in which this Supplementary Guidance is applied is broadly based upon the geographical area covered by these HMA's. The defined area has been altered to avoid overlap with the Auchterarder A9 Contributions area.
- 2.12 The contribution level has been calculated and projected over a 30 year period in order to spread the burden and relate to standard Local Authority borrowing periods.

3 Principles of the Supplementary Guidance

- 3.1 This Supplementary Guidance will apply to all development within the defined boundary identified in Appendix 1. The full contribution level will be applied to all development within the identified Perth Core Area. A reduced contribution level will apply to all other development except where new development requires a Formal Transport Assessment and is identified as having a direct impact on the elements of the infrastructure package in which case a higher contribution may be applied.
- 3.2 A contribution will be required from all new development.
- 3.3 This Supplementary Guidance will not apply retrospectively to a site which has full or in principle planning consent prior to this Supplementary Guidance being adopted, if the consent lapses future applications will be considered against the Guidance. All new planning applications submitted from the date of adoption by the Council will be considered against the Supplementary Guidance. Where applications are submitted for the renewal of planning permission the Supplementary Guidance will be applied in accordance with Appendix 2.
- 3.4 Proposals for a change of use to form residential or subdivision of existing residential property will not normally be expected to provide a contribution, unless they result in the creation of 5 or more residential units. Where residential properties are extended a contribution will be required from all proposals which extend the original property by over 50% excluding the allowance under the current Permitted Development Rights guidance.
- 3.5 If a revised full planning application is submitted or a full application which seeks to alter the number of residential units specified in an 'in principle' application which pre-dated the Supplementary Guidance, results in a net increase in units, the Supplementary Guidance will be applied to all additional units. If a revised full planning application is submitted which seeks to increase the size of a non-residential use the Supplementary Guidance will apply to the additional Gross Internal Area.
- 3.6 In the event of a contribution of land towards the development of the CTRLR, the amount of contribution required under this mechanism may be revised. Each application will be considered on its individual merits, taking into account factors such as the value of the land, its condition and any remedial works required to make it suitable for use. Land values will be assessed independently by the District Valuer Service (or other mutually agreed appointee) with a joint brief being agreed between the Council and the applicant.

- 3.7 In circumstances where non-residential developments are proposed which do not have a large Gross Internal Area but could have a large impact on the transport network (for example quarries, outdoor leisure etc.) the contribution level will be calculated on an individual basis.
- 3.8 The Council expects that its requirement for a transport infrastructure contribution will be taken into account in the preparation of any financial appraisal and that such appraisals will inform decisions about the purchase of development sites and the terms of any such purchase. Where a proposal supports specific Council objectives such as regeneration or significant economic benefit and where it would not be viable due to the application of the Supplementary Guidance the Council may enter into negotiations to reduce the contribution with each case assessed and determined on its own merits.
- 3.9 Contributions may be paid upfront in advance of release of planning consent, negating the requirement to enter into a Planning Obligation with the Council. It is acknowledged that making an advanced payment is not always possible and contributions may require to be secured by means of a Section 75 Planning Obligation between the Council and the landowner and any other relevant person(s). Planning Obligations will need to be registered before planning permission is issued. The Council's costs (including outlays such as registration dues) of preparing an agreed Planning Obligation or reviewing a unilateral Planning Obligation (as the case may be) will be payable by the landowner and any other relevant person. A condition will be attached to any planning permission approving an application for planning permission in principle where it is not possible to determine the contribution level.

Phasing of Contributions

- 3.10 Where a Planning Obligation is to be agreed there will be an option to phase payments over the lifetime of a development through agreement with the Council. The preferred method for phased payments is through quarterly payments made in arrears upon sale of each property, with full payment received upon the sale of the second from last property. The acceptance of this phasing will speed up the completion of Planning Obligations. It should be noted that this preferred method may not be acceptable in all cases and where an approach other than the preferred method is being proposed discussions should be entered into in advance of the submission of a planning application with a view to seeking consensus and to avoiding delay processing the Planning Obligation.

4 How is the Contribution Calculated?

- 4.1 The transport contributions are calculated on the Gross Internal Area (GIA) of new non-residential development or in the case of residential development the total number of units proposed. Where replacement buildings are proposed, (provided the building is in current use) the Trip Rate of the existing use will be taken into account and the contribution reviewed accordingly on a case by case basis. GIA includes everything within the external walls of the buildings (lifts, stairwells and internal circulation areas). It does not include areas like external balconies or the thickness of external walls. Appendix 3 sets out the GIA definitions.
- 4.2 Applicants for planning permission for non-residential buildings are advised to provide the following information with each planning application:
- Current GIA of buildings and their uses to be demolished (if any);
 - Proposed GIA of all buildings and their uses on site once the development has been completed.
- 4.3 Using this information the Council calculates the net increase in GIA. This result is multiplied by the appropriate contribution rate in £/m² to calculate the required contribution level.
- 4.4 Residential buildings will automatically be considered to be in use except where properties have been:
- Vacant for longer than three years (payment of Council Tax will be used as proof of occupation);
 - Used for another purpose such as storage, which would require a planning consent to revert to residential use;
 - Have become dilapidated or derelict and would need extensive works requiring planning consent to become habitable.
- 4.5 Non-residential buildings are considered to be 'in use' if part of it has been used for a continuous period of at least 6 out of the 12 months prior to the submission of a planning application.

5 Accounting Procedures

- 5.1 A ring fenced account for Transport Infrastructure contributions has been set up and is operated strictly according to the following principles:

Accountability

- 5.2 Contributions from individual sites will be accountable through separate accounts and a public record will be kept to identify how each contribution is spent. Contributions will be recorded by the applicant's name, the site address and planning application reference number to ensure the individual commuted sums can be accounted for. Annually

a statement will be published on the Council's website with a summary of the total contributions received and what they have been spent on.

Transparency

- 5.3 Each contribution received will be held in an ear marked reserve within the general fund to ensure that individual contributions can be attributed to particular planning consents.

Ring Fenced

- 5.4 Where a contribution has been made, the appropriate person will be able to reclaim any money not invested in delivering the identified infrastructure projects after 10 years from the date of collection. All refunds will be made in full plus interest at 0.25% below the bank base rate.

6 Determining Contribution Levels

- 6.1 Details of the calculations used in determining the contribution level have been produced in the Background Paper '*Transport Infrastructure Development Contributions: A methodology for calculating the proportionate financial contribution of new development towards transport infrastructure*' and is available on the Council website at the following link: www.pkc.gov.uk/developercontributions
- 6.2 The contribution level will be reviewed within a 5 year period from adoption of the Supplementary Guidance. Any review will take account of updated costs in relation to the infrastructure projects such as land costs, detailed designs, inflation and construction costs. Any revised contribution level will not be applied retrospectively to consented planning permissions.

Contribution Rates per Development

6.3 Perth Core Area

The Perth Core Area includes the settlements of Perth, Scone, Almondbank, Bridge of Earn, Oudenarde, Methven, Stanley, Luncarty, Balbeggie, Perth Airport and also the land between these settlements surrounding the main transport routes into Perth.

Land Use	Contribution per m²
Retail	£123
Employment	£11
Other non-residential use	£43

Land Use	Contribution per unit
Residential	£3549
Residential – Affordable	£1775

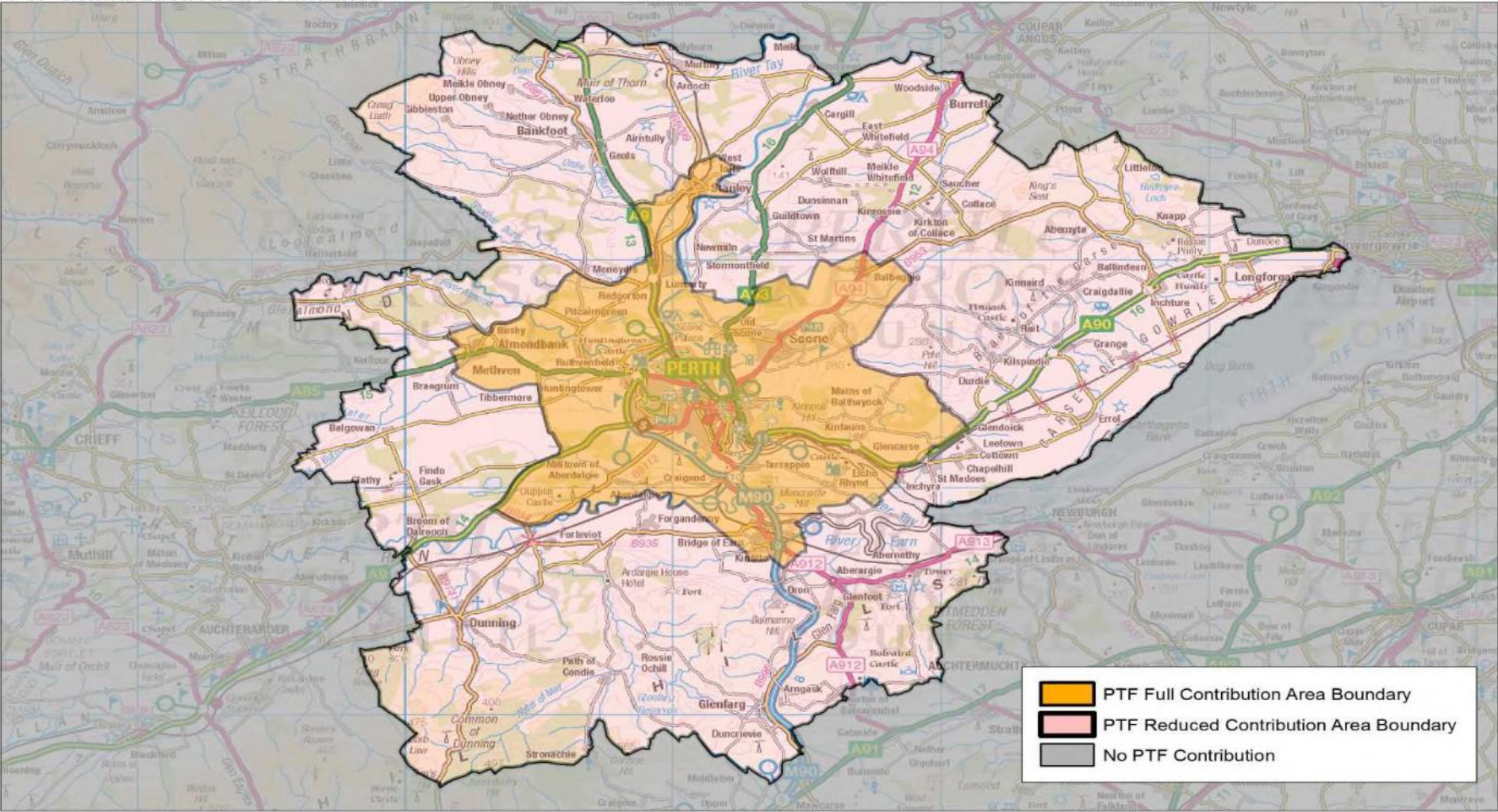
6.4 Out-with the Perth Core Area (75% of full contribution level)

Land Use	Contribution per m²
Retail	£92
Employment	£8
Other non-residential use	£32

Land Use	Contribution per unit
Residential	£2639
Residential – Affordable	£1319

Appendix 1 – Supplementary Guidance Application Area

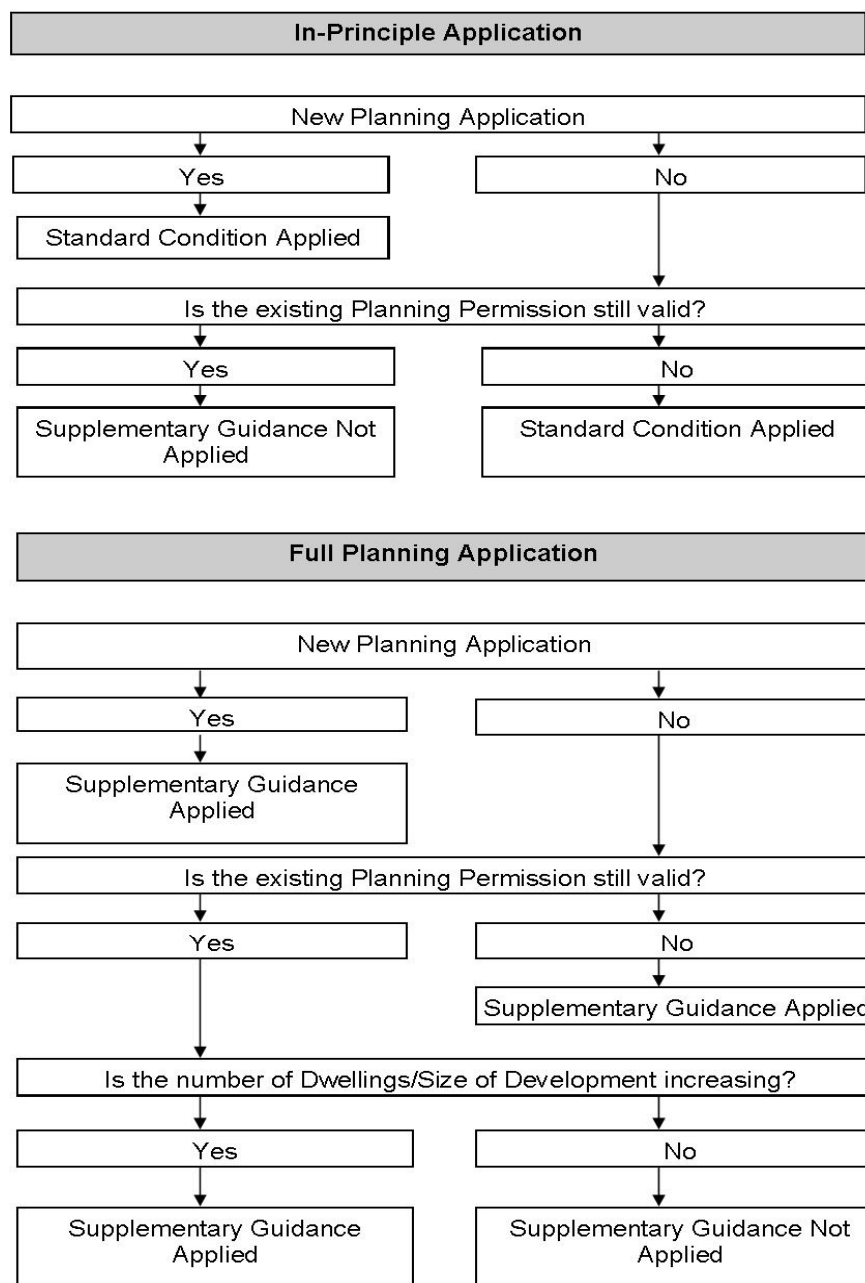
PTF Contribution Area Boundaries



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Scale:
1:200,000

Appendix 2 – Application of the Supplementary Guidance to Planning Applications



Appendix 3 - Gross Internal Area Definitions (GIA)

GIA is the area of a building measured to the internal face of the perimeter walls at each floor level. Including:

- Areas occupied by internal walls and partitions
- Columns, piers, chimney breasts, stairwells, lift-wells, other internal projections, vertical ducts, and the like
- Atria and entrance halls, with clear height above, measured at base level only
- Internal open-sided balconies, walkways, and the like
- Structural, raked or stepped floors are property to be treated as a level floor measured horizontally
- Corridors of a permanent essential nature (e.g. fire corridors, smoke lobbies)
- Mezzanine floor areas with permanent access
- Lift rooms, plant rooms, fuel stores, tank rooms which are housed in a covered structure of a permanent nature, whether or not above the main roof level
- Service accommodation such as toilets, toilet lobbies, bathrooms, showers, changing rooms, cleaners' rooms, and the like
- Projection rooms
- Voids over stairwells and lift shafts on upper floors
- Loading bays
- Integral Garages
- Conservatories

Excluding:

- Perimeter wall thicknesses and external projections
- External open-sided balconies, covered ways and fire escapes
- Canopies
- Voids over or under structural, raked or stepped floors
- Greenhouses, garden stores, fuel stores, and the like in residential
- Areas with headroom of less than 1.5m are excluded except under stairs.

The GIA of all developments will be calculated in line with the RICS Code of Measuring Practice, 6th Edition, 2007.

Appendix 4 - Application Examples

Residential Development

The contribution level will be calculated on the total number of dwellings against the appropriate contribution rate. The appropriate contribution rate will be determined depending on whether the development is within or out-with the Perth Core Area.

Example 1:

24 dwelling development in Perth Core Area

This proposal will have a 25% affordable housing requirement which equals 6 units.

18 dwellings	– 18 x 3549 = £63,882
6 Affordable Dwellings	– 6 x 1775 = £10,650

This proposal is required to contribute £74,532

Example 2:

13 dwelling development Out-with Perth Core Area

The site currently has a single dwelling on it which will be replaced

The contribution will be calculated on the additional units 13 – 1 = 12 units

This proposal will have a 25% affordable housing requirement which equals 3 units.

9 dwellings	– 9 x 2639 = £23,751
3 Affordable Dwellings	– 3 x 1319 = £3,957

This proposal is required to contribute £27,708

Non- Residential Development

The total contribution requirement is calculated by multiplying the appropriate contribution rate by the net increase in gross internal floor area (GIA) after allowing for any demolition.

The basic formula is: $C \times (G - E)$

Where:

- C is the appropriate contribution rate;
- G is the new gross internal floor area;
- E is the net gross internal floor area of any existing buildings on site which are in lawful use.

Where a planning application involves different types of development the above calculation will need to take this into account. Each element of the proposed development will have the appropriate contribution rate applied and then added together to provide the final contribution level.

Example 3:

Proposal for a new retail development with a net GIA of 300m² which lies within the Out-with Perth Core Area.

The identified contribution rate for retail development is £92 per m².

Using the above calculation: $92 \times 300 = 27,600$

This proposal is required to contribute £27,600

Example 4:

Proposal is for an employment development with a net GIA of 800m² which lies within the Perth Core Area.

Currently the site has a small leisure use which has a net GIA of 200m².

The identified contribution rate for employment development is £11 per m².

Using the above calculation: $11 \times (800 - 200) = 6600$

This proposal is required to contribute £6,600

Mixed Use Development

Example 5:

Proposed mixed-use development within the Perth Core Area comprising of 8 residential units, retail use with a net GIA of 250 m² and an employment use with a net GIA of 250 m².

Currently the site has an employment use with a net GIA of 325 m².

This proposal will have a 25% affordable housing requirement which equals 2 units.

The identified contribution rate for retail development is £123 per m².

The identified contribution rate for employment development is £11 per m².

The net GIA of the existing use will be divided equally between the proposed non-residential land use rates. In this case two different rates are to be used so the existing GIA is divided by two. All calculations will be rounded to the nearest whole number.

$325/2 = 162 \text{ m}^2$ (rounded)

6 dwellings – $6 \times 3549 = \text{£}21,294$

2 Affordable Dwellings – $2 \times 1775 = \text{£}3,550$

Retail – $123 \times (250 - 162) = \text{£}10,824$

Employment – $11 \times (250 - 162) = \text{£}968$

This proposal is required to contribute **£36,636**