

TRAFFORD COUNCIL

Report to: Planning and Development Management Committee
Date: 17 October 2024
Report for: Decision
Report of: Head of Planning and Development

Report Title

Infrastructure and Development in Davenport Green – Developer Contributions

Summary

This report provides an overview of the Davenport Green allocation and outlines the need for an interim formula for equalised contributions to help fund and deliver the infrastructure required to support the allocation.

Davenport Green is allocated for development through Places for Everyone (PfE). The specific development requirements for the allocation are set out in PfE Policy JPA 3.2 Timperley Wedge. This includes a requirement for a detailed Masterplan, which is currently being progressed by the principal landowner, Royal London Asset Management (RLAM) in collaboration with other landowners and key stakeholders, with guidance from Council officers.

However, following the adoption of PfE in March 2024, planning applications are expected on some parcels, in advance of the completion of the Masterplan. It is therefore vital that an appropriate mechanism is established to ensure that any future development makes proportionate contributions to the site wide infrastructure necessary to support and deliver the whole of the Davenport Green allocation.

The need for an interim approach to collecting equalised contributions, to ensure new development and infrastructure are suitably coordinated at Davenport Green, was recently reported to the Council's Executive. The Executive requested on 22 July 2024 that the Planning and Development Management Committee approve an interim formula for developer contributions, pending completion of the Davenport Green Masterplan.

This report outlines an interim formula for equalised infrastructure contributions to apply with immediate effect, and until such a time as it is replaced by the equalised contribution in the Davenport Green Masterplan.

The infrastructure contributions would be in addition to 45% on-site affordable housing provision.

Recommendation(s)

That the Planning and Development Management Committee:

- (i) Note the content of this report; and
- (ii) Approve the formula for the calculation of interim developer contributions in Davenport Green set out in Appendix 1, for the purposes of the determination of planning applications with immediate effect; until such time as it is replaced by the relevant infrastructure contributions set out in the adopted Davenport Green Masterplan.

Contact person for access to background papers and further information:

Name: Caroline Wright – Strategic Planning and Growth Manager

Background Papers: None

Appendices: Appendix 1 – Interim Contributions Calculation Formula

1.0 Introduction

- 1.1 Davenport Green has been allocated as a strategic development site under Policy JPA 3.2 of the Places for Everyone (PfE) joint Local Plan and has been removed from the Green Belt.
- 1.2 The PfE plan was adopted by the constituent Councils on 21 March 2024, and now forms the starting point of the statutory Development Plan for Trafford: making the principle of development on the relevant parts of the site, acceptable in planning terms, subject to compliance with the forthcoming masterplan.
- 1.3 Policy JPA 3.2 (entitled ‘Timperley Wedge’) allocates the Davenport Green site for approximately 2,500 new homes and 60,000 sqm of employment floorspace, alongside a new large publicly accessible rural park.
- 1.4 To unlock this scale of development, and create a new sustainable and accessible community, a significant amount of new and improved infrastructure will need to be provided, including:
 - New and improved sustainable transport and highways infrastructure, including delivery of a spine road through the site;
 - A network of new and safe cycling and walking routes through the allocation;
 - Extension to the Manchester Airport Metrolink Line Western Leg including Metrolink stop(s);
 - A local centre comprising a range of shops and services to meet local needs;
 - Provision of a new primary school and/or school places; and
 - A range of types and sizes of open space.
- 1.5 To ensure that the whole site is delivered in accordance with the requirements and aspirations of adopted Policy JPA 3.2 the first criteria requires ALL development to:
“Be in accordance with a Masterplan that has been developed in consultation with the local community and other stakeholders, and approved by the Local Planning

Authority. The Masterplan must include a robust phasing and delivery strategy, as required by policy JP-D1. This will be prepared in partnership with key stakeholders and ensure the whole allocation is planned and delivered in a coordinated and comprehensive manner with proportionate contributions to fund necessary infrastructure”.

- 1.6 A site-wide Masterplan is therefore critical for Davenport Green to create a holistic and comprehensive plan that facilitates a clear path for the delivery of new homes and employment floorspace, whilst also ensuring that the necessary and supporting infrastructure is in place or planned for at the right time and is appropriately funded.
- 1.7 It will also provide certainty to local communities and the development industry that the allocation will be delivered and provide the benefits, improvements and enhancements upon which its delivery has been predicated.
- 1.8 The Masterplan will enable high quality place making through the provision of clear and unambiguous planning and delivery guidance. In doing so, the Masterplan will consider the aims and requirements of the whole allocation to facilitate the coordinated delivery of development alongside all types of necessary infrastructure, facilitating place making across the site as well as ensuring integration with existing communities and environments.
- 1.9 In short, the Masterplan will be used as a blueprint for the future delivery of the entire site, guiding the development management process by (principally):
 - Enabling applicants to prepare detailed policy compliant development proposals with a high level of certainty – de-risking the planning process;
 - Enabling policy compliant planning applications to be determined expeditiously without need for lengthy pre-application engagement and/or unnecessary delay;
 - Generating appropriate and proportionate contributions towards necessary infrastructure, providing certainty for applicants, de-risking the planning process and enabling early delivery of infrastructure; and
 - Enabling the Council to leverage in additional funding and investment to support the delivery of the site.

2 Places for Everyone Legal Challenge

- 2.1 A Legal Challenge was made to the Places for Everyone Plan in April 2024 and the PfE authorities are collectively defending the Plan. Until the outcome of the Legal Challenge to Places for Everyone is known, the plan remains in full force. As such it is right to continue to develop a Masterplan for this site and apply the adopted planning policies within with vigour in both plan-making and decision-taking

3 The Davenport Green Masterplan – Progress to date

- 3.1 Royal London Asset Management (RLAM) - the largest landowner within the allocation, began work on a Masterplan in May 2023, in advance of the adoption of PfE and appointed a team of consultants to help them prepare their version of a Masterplan for the site.
- 3.2 In the intervening period, Council officers have provided comments and offered guidance on the emerging Masterplan proposals, as they would do for any large development scheme. Input has also been provided by other relevant stakeholders to help inform the development of the Masterplan.
- 3.3 RLAM launched a public consultation on their emerging Masterplan proposals on 18 July, which ran for nine weeks, closing on 20 September.

3.4 It should be noted that while Council officers have provided guidance to RLAM and have had some input into their draft Masterplan, the emerging Masterplan proposals have not been formally endorsed or approved by the Council.

4 The Davenport Green Masterplan – Next Steps

4.1 Once the RLAM consultation on the emerging Masterplan is complete, it is anticipated that production of the final Masterplan will be passed to the Council to take forward.

4.2 Thus, over the course of the coming months, the Strategic Planning and Growth team will further develop the Masterplan, which will be subject to further public consultation.

4.3 This will involve testing and assessing the proposals put forward by RLAM to ensure they are robust, deliverable, fundable and sustainable in the long-term and are compliant with relevant policies, strategies and legislation.

4.4 Once formally adopted by the Council, planning applications will be assessed against this new Masterplan alongside the overarching planning policy contained in the Places for Everyone plan and other relevant planning policies.

4.5 The indicative timetable for the production of the Davenport Green Masterplan is as follows:

- July – September 2024 – RLAM consultation on emerging Masterplan proposals
- October 2024 - Royal London review feedback and make necessary changes to Masterplan proposals
- November 2024 - Masterplan proposals finalised by Royal London and submitted to Trafford Council to then prepare the document.
- 2025 onwards - Public consultation on draft Masterplan and Council adoption.

5 Planning Approach prior to adoption of Davenport Green Masterplan SPD

5.1 As set out in section 3 of this report, the Masterplan required by Policy JPA 3.2 of the Places for Everyone plan is underway. However as set out above, the Davenport Green site has been removed from the Green Belt and allocated for development, making the principle of development on the relevant parts of the site, acceptable in planning terms.

5.2 Consequently, and notwithstanding the current progress with the Masterplan, it is expected that some planning applications for development within the allocation, will be submitted in advance of the adoption of an approved Masterplan.

5.3 There is, therefore, a need for Trafford Council to establish an interim infrastructure funding position for the Davenport Green allocation, in advance of the adoption of the Masterplan. This will ensure that any planning applications determined ahead of this date make an appropriate contribution towards the infrastructure required to support the whole allocation.

5.4 This approach was endorsed by the Council's Executive on 22 July 2024, whereby it was agreed that the Council should have in place an interim approach to collecting equalised contributions from development within the Davenport Green allocation, to ensure new development and infrastructure are suitably coordinated, in advance of an approved Masterplan for the whole site.

5.5 Notwithstanding this position, it is imperative to note that prior to the adoption of the Masterplan, the Council will be highly unlikely to be supportive of any proposals for development at Davenport Green, and use of the Interim Contributions Calculation Formula should therefore be viewed as a last resort.

- 5.6 While financial contributions may help to pay for infrastructure, there is a significant risk that the granting of planning permission(s) ahead of the Masterplan will undermine real-world delivery. For example, without knowing the exact alignment and land take needed to deliver the spine road, it is possible that a scheme(s) could be approved which would build over the land needed for it, leading to substantial costs and delays on all fronts.
- 5.7 It is therefore imperative that the opportunity to deliver the necessary infrastructure is not threatened in any way. Consequently, it is important the Council acts now to manage development coming forward and ensure proportionate contributions are made to local infrastructure.

Implications of not collecting interim contributions

- 5.8 The Davenport Green site has been removed from the Green Belt and allocated for development. It is therefore possible that some planning applications will be submitted in the coming weeks and months.
- 5.9 Without a mechanism to secure contributions (as a last resort), ahead of the adoption of the Masterplan, it is entirely possible that planning applications could be brought forward quickly to avoid paying the proportionate and equalised contribution.
- 5.10 This was the case with the World of Pets site within the allocation, for which only £297,036.00 worth of education contributions were required, following a successful appeal; compared to a £3.8m contribution which would be required under this interim infrastructure contribution calculation.
- 5.11 The resultant effect of developments not contributing to site-wide infrastructure would be that development coming forward later in the plan period could stall as the necessary infrastructure would not be delivered to unlock or support it, and insufficient funds would be available to provide it, making future phases unviable and/or undeliverable.
- 5.12 This could also lead to consequential effects on the delivery of affordable housing on the site, which could be substantially reduced if significant areas of the site are not appropriately supported/ unlocked.
- 5.13 In turn, the failure to deliver the number of homes set out in Policy JPA 3.2 would likely mean that other areas of Green Belt and countryside in Trafford would come under increased pressure from speculative housing applications, in order to meet housing needs.

Planning Tools to secure contributions

- 5.14 Financial contributions can be secured with the grant of planning permission by the use of a Planning Obligation – a legally binding agreement between the Council, applicant and other interested parties. Contributions cannot normally be secured by conditions attached to planning permissions, but the Council can employ the use of so-called ‘Grampian’ conditions to ensure certain obligations are met before work is carried out.
- 5.15 A ‘Grampian’ condition is a negatively worded planning condition prohibiting development authorised by a planning permission taking place until a specified action has been taken. They can be used in respect of actions which are not taking place within the application site, or on other land in the applicant’s ownership, and the action does not need to be in the control of or carried out by the applicant.

6 The Proposed Interim Approach to Contributions

- 6.1 Development proposals submitted within the Davenport Green allocation will not be supported in advance of the adoption of the site wide Masterplan, required by Criterion 1 of Policy JPA 3.2.
- 6.2 However, the Council cannot stop planning applications being submitted and is aware that planning applications are being prepared for some development parcels within the allocation. It is therefore sensible to establish an interim approach for Infrastructure Contributions at Davenport Green, in advance of the Masterplan.
- 6.3 The total cost of all the critical infrastructure, as detailed in Appendix 1, is estimated to total approximately £103m and includes various junction and road upgrades, public transport and active travel improvements as well as education and open space provision.
- 6.4 The following interim calculation approach ensures that in the event of a planning application being permitted, appropriate contributions are secured towards the cost and/or provision of the necessary infrastructure requirements for the whole allocation.
- 6.5 The use of the interim calculation should be viewed as a last resort, as there is a clear policy requirement for the development of the allocation to be delivered in accordance with an approved site wide masterplan.
- 6.6 The essence of an interim approach is that it will be a simple calculation, based on work already undertaken to support the PfE plan. Consequently, it will inevitably be less sophisticated and detailed than the work to be carried out under the Masterplan.
- 6.7 The detailed formula for calculating interim contributions can be found in Appendix 1 of this report. The calculation results in a required contribution of £33,325.03 per residential unit and a contribution of £396.73 per sqm for employment development.
- 6.8 In short, the formula takes the net amount of development proposed in Davenport Green (including that which might come forward beyond the plan period) and apportions it between residential (77%) and employment (23%). This apportionment is based on the overall relative quantum of development proposed by Policy JPA 3.2 and yet to be permitted.
- 6.9 As the residential development in PfE is (as is usual) quantified using the number of dwellings rather than floorspace, the equivalent residential floorspace has been calculated for the purposes of the formula. This is on the basis that the 'average' dwelling will be a Nationally Described Space Standards compliant 3 bed 4 person dwelling at 84sqm. The total likely infrastructure costs for Davenport Green are then calculated.
- 6.10 A 30% contingency has then been added. This contingency is significant because of the substantive unknowns in respect of the costs of infrastructure, both now and in the future.
- 6.11 Existing and known future funding and contributions (including CIL and Section 106 contributions derived from the World of Pets appeal decision) are netted off against the total infrastructure cost. This net figure for infrastructure is then divided by the net amount of new development.
- 6.12 Costs have been taken from the PfE viability assessment. Several inputs are only relevant for residential development and therefore only influence that calculation. Adjustments have been made for inflation and for already committed / constructed development.
- 6.13 To reflect this position there will be a re-proportioning mechanism in any future S106 agreement which would enable the reduction and / or redistribution of contributions on a case-by-case basis if the output from the first stage of the Masterplan work is that

the equalised contribution is less than the interim contribution. In the case of residential development, some contributions may be redirected to affordable housing.

- 6.14 It is anticipated that some of the necessary infrastructure will be delivered as an integral part of development schemes coming forward. In circumstances where a developer bears the cost of direct delivery of infrastructure, the contribution will be adjusted accordingly to take account of this.

Affordable Housing Provision

- 6.15 There is a requirement for development of the Davenport Green site to include a minimum of 45% on-site affordable housing.
- 6.16 The infrastructure contributions set out in Appendix 1 would be in addition to this on-site provision.

Viability

- 6.17 The infrastructure contributions set out in Appendix 1 have not been subject to viability assessment.
- 6.18 However, the requirements of Policy JPA 3.2 were tested and were found to be viable. This included 45% on-site affordable housing provision and the c.£66m of infrastructure costs identified in the PfE Viability Assessment.
- 6.19 The impact of the additional c.£37m of infrastructure costs set out in Appendix 1, will need to be assessed via the Masterplan process, to ensure that development remains viable and that appropriate levels of contributions are sought.
- 6.20 This exercise (among others) will be undertaken once responsibility for the preparation of the Masterplan passes from RLAM to the Council.

7 Securing the Contribution – Planning Obligation with Overage/ Clawback Clause

- 7.1 Any planning permission granted ahead of the Council approving a site-wide Masterplan will be subject to a Planning Obligation, securing the proportionate infrastructure contributions set out in Policy JPA 3.2 as set out in this interim calculation.
- 7.2 Until the Masterplan is significantly advanced in all areas, and the costs of the necessary and supporting infrastructure have been updated and are known (insofar as is possible), there may be instances where the costs set out in individual planning obligations in accordance with Appendix 1 are greater or potentially lower, than may be derived through the approved Masterplan.
- 7.3 To ensure that approved development does not contribute less or more than what is required, an overage or clawback clause will be inserted into Planning Obligations for development at Davenport Green. This mechanism will ensure that any future changes to infrastructure costs are proportionately contributed to by ALL relevant developer(s), irrespective of the route, time or manner under which planning permission was secured.
- 7.4 An overage or clawback clause will also ensure that no additional burdens are unnecessarily placed on public finances.
- 7.5 The specific wording of the overage or clawback clause will be drafted as and when necessary to support the Council in its planning functions.

8 Conclusions

- 8.1 Davenport Green will be the one of the largest growth points in Trafford, for the next twenty years. It will therefore require ongoing efforts to ensure development is

coordinated with necessary infrastructure, and that there is effective place-making to bequeath successful communities to future generations.

- 8.2 The first step is to ensure the timely delivery of the necessary infrastructure for the site, as this will unlock land for development.
- 8.3 This process will take place as part of the phasing and infrastructure delivery plan developed as part of the site wide Davenport Green Masterplan. Until this document has been finalised and approved by the Council, an interim mechanism needs to be established to ensure that proportionate contributions are able to be collected on any development which gains planning permission ahead of the Masterplan.
- 8.4 Without this mechanism, there is an acute risk that funding for, or provision of necessary infrastructure will be delayed or not able to be delivered.

9 Recommendation

- 9.1 That the Planning and Development Management Committee notes the content of this report.
- 9.2 That the Planning and Development Management Committee approves the formula for the calculation of interim developer contributions in Davenport Green set out in Appendix 1, for the purposes of the determination of planning applications with immediate effect; until such time as it is replaced by the relevant infrastructure contributions set out in the adopted Davenport Green Masterplan SPD.

APPENDIX 1 – INTERIM DAVENPORT GREEN DEVELOPER CONTRIBUTIONS FORMULA

Minimum Indicative Infrastructure Costs Associated with Development of Davenport Green					
Indicative Infrastructure Required		Cost	Notes		
a	Places for Everyone (PfE) Transport Costs	£ 45,500,000.00	Cost identified in the PfE Viability Assessment (page 40). Includes Medi Park development as well - cannot be disaggregated.		
b	Education	£ 8,665,543.00	Cost identified in the PfE Viability Assessment (page 178).		
c	Open Space ($k \times 2322$)	£ -	Per dwelling cost of £0 identified PfE Viability Assessment (page 178).		
d	Other S106/ 278 ($k \times 5000$)	£ 11,920,000.00	Per dwelling cost of £5,000 identified PfE Viability Assessment (page 178).		
e	Sub-Total Indicative Minimum Infrastructure Costs	£ 66,085,543.00			
Amount of Development Proposed and Approved in Davenport Green					
		Amount of Development	Notes		
f	PfE Policy JPA 33 Employment Figure (sqm)	60000	As set out in PfE Policy JPA 3.2		
g	PfE Policy JPA 33 Housing Figure (number of homes)	2500	As set out in PfE Policy JPA 3.2		
h	Employment Floorspace with Planning Permission/ Built	0	All approved employment and residential development within area covered by Davenport Green allocation since Core Strategy adoption in 2012.		
i	Number of Homes with Planning Permission/ Built	116			
j	PfE Policy JPA 33 Net Employment Floorspace (sqm) ($f - h$)	60000	Amount of employment floorspace and homes remaining to be approved/ built and therefore subject to updated infrastructure contributions.		
k	PfE Policy JPA 33 Net Number of Homes ($g - i$)	2384			
Indicative Infrastructure Costs + Inflation/ Indexation and Apportionment (77% Residential Development and 23% Employment Development)					
Indicative Infrastructure Required plus Inflation/ Indexation		Residential Development	Employment Development	Total Contribution	Notes
l	PfE Transport Interventions ($a + Build Cost Inflation$)	£ 49,831,550.17	£ 14,884,748.75	£ 64,716,298.92	BCI applied at 11% p.a. 2021 - 2023, and 4% p.a. 2024 - 2030

m	Education Contributions (<i>b CPI indexed to 2024</i>)	£	10,542,644.67	£	-	£	10,542,644.67	Only applicable to residential development
n	Open Space Contributions (<i>c CPI indexed to 2024</i>)	£	-	£	-	£	-	
o	Other S106 and 278 Agreements (<i>d CPI indexed to 2024</i>)	£	11,359,307.16	£	3,248,088.67	£	14,607,395.83	Apportionment of d
p	Sub-Total Indicative Minimum Infrastructure Costs (<i>l+m+n+o</i>)	£	71,733,501.99	£	18,132,837.42	£	89,866,339.41	
q	30% Risk Factor/ Contingency (<i>p x 0.3</i>)	£	21,520,050.60	£	5,439,851.23	£	26,959,901.82	
r	Total Gross Indicative Minimum Infrastructure Costs (<i>p+q</i>)	£	93,253,552.59	£	23,572,688.64	£	116,826,241.24	
Existing and Future (Known) Funding and Contributions and Apportionment (77% Residential Development and 23% Employment Development)								
	Funding Source		Residential Development		Employment Development		Total Contribution	Notes
s	City Region Sustainable Transport Settlement 1 (CRSTS 1)	£	-	£	-	£	-	
t	Growth Deal 3 (TFGM) (GD3)	£	-	£	-	£	-	
u	Housing Infrastructure Fund (Homes England) (HIF)	£	-	£	-	£	-	
v	Evergreen Funding	£	-	£	-	£	-	
w	GMCA Brownfield Funding	£	-	£	-	£	-	
x	Strategic Community Infrastructure Levy (CIL) at 31/03/2024	£	-	£	-	£	-	
y	S106 Infrastructure Contributions Secured/ Agreed at 31/03/2023	£	297,036.00	£	-	£	297,036.00	Secured funding. Apportioned according to planning approvals (from World of Pets appeal decision - 105905/OUT/21 / APP/Q4245/W/22/3306715).
z	Likely Future CIL Contributions (<i>£80/sqm + CIL Indexation</i>)	£	13,509,649.46	£	-	£	13,509,649.46	Current CIL Charging Schedule includes £0 charge for employment uses. Includes 45% affordable housing exemption.

aa	Gross (Known/ Potential) Financial Contributions Secured/ Likely to be Secured $(s+t+u+v+w+x+y+z)$	£	13,806,685.46	£	-	£	13,806,685.46
ab	Total Net Indicative Minimum Infrastructure Costs $(r - aa)$	£	79,446,867.13	£	23,572,688.64	£	103,019,555.78
ac	Contribution Per Home (ab/k)	£	33,325.03		N/A		
ad	Contribution Per sqm of Employment (ab/j)		N/A	£	392.88		

***Minor variances in amounts shown may occur due to decimal rounding in the calculations in the contribution's formulae.*