

## Report to Cabinet

24 March 2022

By the Cabinet Member for Planning and Development

**DECISION REQUIRED**



**Horsham  
District  
Council**

Not Exempt

### Update to Fees Schedule: Developer Transport Modelling

#### Executive Summary

The Horsham (District) Transport Model, has been developed by specialist consultants commissioned by the Council and ratified by West Sussex County Council as Highway Authority, to provide evidence for the emerging Horsham District Local Plan. There is an opportunity to recoup some of the significant cost of this work by making it available to prospective developers promoting sites in the District for an agreed fee. This process is common practice for local authorities that have developed a transport model. Where engaged, it will provide prospective developers with a baseline technical model only and shall not infer any pre-determination or advantage over others. A draft Protocol and Schedule of Fees has been prepared for third party use of the Horsham Transport Model.

#### Recommendations

Cabinet is recommended to:

- i) Recommend to Council that the proposed new Schedule of Fees with supporting Protocol for third party access to the Horsham Transport Model as set out in Appendix A is approved.

#### Reasons for Recommendations

- i) To ensure that the Council is appropriately reimbursed for expenses incurred in the development of the Horsham Transport Study Model by those seeking commercial use of the model and supporting data, to promote development.

#### Background Papers

None

**Wards affected:** All.

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## Background Information

### 1 Introduction and Background

- 1.1 In March 2019, the Council commissioned Peter Brett Associates (who have now become part of consultancy Stantec) to undertake the preparation of a strategic transport model for Horsham District. This forms part of the wider Horsham Transport Study, which allows for the testing of alternative development scenarios being considered as part of the preparation of the Horsham District Local Plan. This model is hereafter referred to as the 'Horsham Transport Study Model' or HTSM.
- 1.2 Stantec have duly 'built' a base model for the purposes of developing the Local Plan strategy (the 'Horsham Transport Study Model'). The model is a SATURN model, which is a commonly used model for purposes of looking at development strategies at a sub-regional level. It provides the following:
- Predicts vehicular traffic levels at junctions and along links on the road network, based on inputting development assumptions such as numbers of houses and employment space on certain sites. It also forecasts the traffic impacts of schools and other non-residential uses.
  - Factors in 'knock-on' impacts of congestion at certain locations (for example, rat-running).
  - Factors in mitigation measures on the road network, e.g. new or upgraded junctions. The 'knock-on' impacts are shown on other parts of the network, whether good or bad.
- 1.3 The model has now been fully validated and endorsed by both West Sussex County Council and National Highways. It has been successfully used through the Local Plan preparation process to provide an assessment of the traffic impacts, highlighting the delays likely to be seen on various parts of the network due to future development and growth – both on a 'business as usual' scenario, and then adding in possible local plan growth locations. Whilst it has not been tested at local plan examination as yet, thorough due diligence and quality control has been undertaken by HDC and WSCC officers via an iterative process to ensure accuracy and fitness-for-purpose. It is now considered to be the appropriate time to make the model more widely available to third party users.

### 2 Relevant Council policy

- 2.1 Paragraph 1.1.1 of the 2019-23 Corporate Plan commits the Council, through the Local Plan, to *"promote healthy, vibrant town and village centres, deliver facilities and identify the infrastructure necessary to support growth in a way that protects the overall character of the District."* The development and growth that is likely to be seen in the District over the coming years will be principally delivered by commercial developers. It is therefore important to work with these developers in a way that promotes consistent use of evidence. The Council's transport model has been independently commissioned, and its use should therefore be encouraged more widely, to provide consistency, and better facilitate negotiations on development proposals including the delivery of supporting infrastructure.

- 2.2 Paragraph 5.3.4 of the 2019-2023 Corporate Plan sets out the principle that the Council will “*Continue to manage our finances prudently and identify new sources of revenue to balance our budgets as funding from central government reduces*”
- 2.3 The principle of introducing a fee for third party use of the HTSM is on the basis of partial cost recovery. This relates solely to the original cost to the Council of commissioning consultants and data collection to ‘build’ and validate the model. For avoidance of doubt, any use of the model by a third party shall not infer or in any way advantage that site over others: all evidence relating to consideration of planning applications or local plan site allocations will be considered on its merits, irrespective of the source or provider.
- 2.4 Where charging for services or products, Local Authorities should make every effort to ensure that charges remain affordable and competitive. The fee scale is based on a percentage of the original cost of the model. There are different percentages for different periods of use, such that a greater fee is charged for the use of the model for a longer period. This sliding scale allows third party users to justify the cost-benefit of using the HTSM over other options, by ensuring the cost to the prospective developer is a modest proportion of the overall model cost and representing better value-for-money for longer periods of use of the model.

### **3 Details**

- 3.1 The details of how the charging of fees will work is set out in **Appendix A – Protocol and Schedule of Fees for Third Party Access to Data**.
- 3.2 In summary, the following charges are proposed:

For access to the full Horsham Transport Study Model, the full cost of which was £114,000, and inclusive of all relevant raw data:

- **4%** of HTSM model development cost for **6 months** access (**£4,560**), **OR**
- **6%** of HTSM model development cost for **12 months** access (**£6,840**), **OR**
- **10%** of HTSM model development cost for **36 months** access (**£11,400**).

For only raw traffic data (for example to input into an alternative model), 20% of the data cost of the data requested, when purchased without or in advance of full model access. This provides a price of:

- **£182.30** per Automatic Traffic Count site
- **£374.30** per Manual Traffic Count site.

All of the above fees are exclusive of VAT.

- 3.3 The Protocol and Schedule of Fees (Appendix A) also outlines that use of the model will rely on the direct provision of modelling services by Stantec or, less preferably, an alternative consultant with the ability to run the modelling software. Hence the fees above are ‘royalty fees’ due to the Council as the owner of the intellectual property rights. This is distinct from the cost of Stantec (or another consultant) charging a third party directly for actually running the model on behalf of the developer. If Stantec provides this service direct to a developer, they will be required to evidence clearly that there will be no conflict of interest, for example by only providing objective model

output data, and not providing commentary on development proposals and their potential traffic impacts.

## **4 Next Steps**

- 4.1 Following Cabinet and Council approval the Horsham Transport Study Model (Horsham Local Plan) Protocol and Schedule of Fees for Third Party Access to Data will be published on the Council's website. The proposed implementation date is 9 May 2022.

## **5 Views of the Policy Development Advisory Group and Outcome of Consultations**

- 5.1 The Regulations do not require that the Council should carry out any public consultation on this matter, and this is not considered necessary as the justification to set fees is to ensure that the Council can continue to cover its costs.
- 5.2 Internal consultation has been undertaken with the Director of Corporate Resources, the Head of Finance and Performance, the Head of Legal and Monitoring Officer and their comments incorporated into this report.
- 5.3 The Planning Policy Development Advisory Group have been made aware of the proposals at their meeting on 7 March 2022.

## **6 Other Courses of Action Considered but Rejected**

- 6.1 One alternative approach was to simply not make the Horsham Study Transport Model available to use by third parties. This was rejected, as the Council already has arrangements that allow for Planning Performance Agreements (PPAs) with prospective planning applicants. The PPA packages agreed should, going forward, reasonably include access to this common evidence base, which will both bring financial benefit to the Council and improve the quality of information and data supporting future planning applications.
- 6.2 A further alternative approach was to make the model available to third parties, but with no charge made for its use. This was rejected as, in light of the significant costs originally incurred by the Council for the HTSM, this would not represent good value for the Council or Horsham residents.

## **7 Resource Consequences**

- 7.1 The proposal presented in this report would help recover some of the costs incurred in setting up the model and potentially provide a net additional income to the Council. It is not possible at this stage to provide a prediction of the amount.
- 7.2 There are no staff changes proposed as a consequence of this report. Administration of the payment of fees will be absorbed into existing processes, in the same way that Planning Performance Agreements are administered.

## **8. Legal Consequences**

- 8.1 This is in accordance with Section 93 of the Local Government Act 2003 which allows local authorities to charge for (discretionary) services which they have a power but not a duty to provide, with the level of income restricted to the amount it costs to provide the services.
- 8.2 Local authorities are not constrained as to how they calculate such costs, and can therefore justifiably include the full cost of all aspects of service provision, with the opportunity to recover such costs through charging

## **8 Risk Assessment**

- 8.1 If the Authority did not introduce fees for access to the HTSM, the consequence would be an effective loss of income to the authority. This then has the potential to impact on the wider services which are provided by the Council and the impact that this has on residents and businesses in the District.

## **9 Procurement Implications**

- 9.1 Any procurement implications which could exist by recommending Stantec as the consultant are mitigated by the ability for the developer to appoint an alternative consultant should they wish to do so.

## **10 Other Considerations**

- 10.1 There are not considered to be any considerations required for Crime & Disorder; Human Rights; Equality & Diversity and Sustainability.

## **APPENDICES TO REPORT**

### **Appendix A – Protocol and Schedule of Fees for Third Party Access to Data**