

Weymouth & Portland Borough Council

WEYMOUTH TOWN CENTRE INTERIM FLOOD DEFENCE CONTRIBUTIONS POLICY

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CONTENTS

	Page
1.0 INTRODUCTION/EXECUTIVE SUMMARY	1
2.0 AIM OF THE CONTRIBUTIONS POLICY DOCUMENT	3
3.0 BACKGROUND	4
- <i>Content</i>	4
- <i>Evidence base for policy</i>	4
- <i>Development proposals</i>	6
- <i>Current and future flood risk</i>	6
- <i>Roles and responsibilities</i>	7
4.0 POLICY CONTEXT	8
- <i>PPS25</i>	8
- <i>Regional / Sub Regional Policies</i>	9
- <i>Local Plan</i>	10
5.0 PROPOSED FLOOD DEFENCE SCHEME	13
6.0 FUNDING STRATEGIC FLOOD DEFENCES	14
- <i>Public funding</i>	14
- <i>Development funding</i>	14
7.0 THE LEVEL OF CONTRIBUTION/TARIFF	15
- <i>How the level has been established</i>	15
- <i>To what proportion of the costs should development contribute?</i>	15
- <i>What type of development pays the tariff?</i>	16
- <i>Flood risk vulnerability</i>	17
8.0 HOW THE TARIFF WILL OPERATE	18
- <i>Means of Payment</i>	18
- <i>Scheme viability</i>	19
- <i>What if a scheme is not viable?</i>	19
9.0 DEALING WITH RESIDUAL FLOOD RISK	20
- <i>Flood resilience & resistance measures</i>	20
- <i>Flood warning and evacuation plans</i>	21
- <i>Planning for different levels of risk</i>	21
APPENDIX 1 Contributions Tariff	23
APPENDIX 2 Valuation Study	25

1.0 INTRODUCTION/EXECUTIVE SUMMARY

- 1.1 Weymouth Town Centre is the focus of the whole of Weymouth & Portland Borough for both residents and visitors. It provides employment, commercial and retail services to the surrounding area, and its beach, harbour and the Esplanade are the main attraction for the tourist industry on which much of the local economy depends. It is also the location of the railway station linking Weymouth to the strategic rail network, and the ferry terminal providing services to the Channel Islands. The centre also has a substantial resident population. The Weymouth & Portland Community Plan and the emerging joint Local Plan aim to support this role through regeneration, additional housing and improvements to the public realm.
- 1.2 However, Weymouth's geography is such that the town centre is already at risk of coastal flooding and this will increase as sea level rises. This has been demonstrated by the Strategic Flood Risk Assessment carried out to inform the preparation of the emerging Local Plan. The Environment Agency has therefore advised the Borough Council against allowing any further development unless or until a mitigation strategy and contributions policy are in place to ensure the protection of new and existing development in the town centre.
- 1.3 In 2009, the Borough Council and the Environment Agency commissioned a **Flood Risk Management Strategy** to investigate the options for dealing with the issue. The preferred option includes a tidal barrier, improvements to the harbour walls and works to protect the Esplanade over the next 20-30 years. These works will enable the town centre to grow and to fulfil its essential role until at least 2126.
- 1.4 The cost of these works is estimated to require an investment of £66m at 2010 prices, and is necessary to enable development to proceed. However, the cost of not carrying them out is the stagnation and decline of both the town centre and the local economy. Over time, a greater number of properties would be at risk from flooding events; the loss of existing assets/investments and subsequent failures would also increase health and safety issues.
- 1.5 The preparation of this consultation document has been informed by evidence from the District Valuation Service (DVS), part of the Valuation Office Agency. The valuation study (**Appendix 2**) has involved notional developments of various classes of development (shops, offices, industrial and residential) together with assessments of two current schemes within the Borough.
- 1.6 Financial appraisals have been produced to assess the potential for new developments within the town centre to make additional Section 106 payments towards the required flood defences in the period to 2030. The appraisals have been designed to assess the impact on development viability of additional S106 payments by assessing the surplus or deficit arising from each development after delivering a reasonable market return to the developer in each case.

- 1.7 The assessments draw upon the data held by the Valuation Office Agency relating to current sales and rental levels across the property types. They also follow market practices derived from the DVS's extensive experience of assessing the development viability of planning applications/appeals.
- 1.8 The case for providing robust supporting evidence is even more critical given the current economic climate; this can make it more difficult to fulfil certain Section 106 Policy requirements. The valuation study has demonstrated that this may be the case with office, industrial and tertiary retail uses in the town centre. However, the study clearly demonstrates that there is sufficient value across the majority of development types (including housing) to support an increase in Section 106 payment requirements.
- 1.9 The fairest way to impose a tariff is to consider the proportion of proposed new development (growth) over and above the total existing development in the Borough, and then make an assessment of the percentage of that growth that would be located in the town centre.
- 1.10 There are significant sustainability benefits in protecting and regenerating the existing town centre. Therefore, subject to the payment of the tariff and the addressing of any residual flood risk, development will be permitted in Flood Zone 3 when PPS25 would normally preclude it through the sequential test.

2.0 AIM OF THE CONTRIBUTIONS POLICY DOCUMENT

- 2.1 This interim policy document specifies the financial contributions that future development will need to make towards the flood defence measures which are required to ensure that Weymouth Town Centre can continue to develop its economic and social role as a key service centre for the surrounding area, and as a driver for the local economy.
- 2.2 The document supports the objectives of the emerging Local Plan. ***It is an interim policy document in advance of the Local Plan being adopted that will form the basis for negotiation of developer contributions to flood defences.*** It will therefore allow development to recommence in the town centre and permit further growth and regeneration.
- 2.3 In the longer term, planning policies for contributions to flood risk management will be set through the emerging Local Plan and/or the Community Infrastructure Levy.
- 2.4 This gives confidence that the Flood Risk Management Strategy (see 3.3 below) will be delivered over a period of 20-30 years and recognises that viability of development is a key constraint to the amount of contribution that can be levied. In addition, it complies with Circular 05/2005: *Planning Obligations* which provides guidance on the use of planning obligations under Section 106 of the Town & Country Planning Act 1990/Planning & Compensation Act 1991.

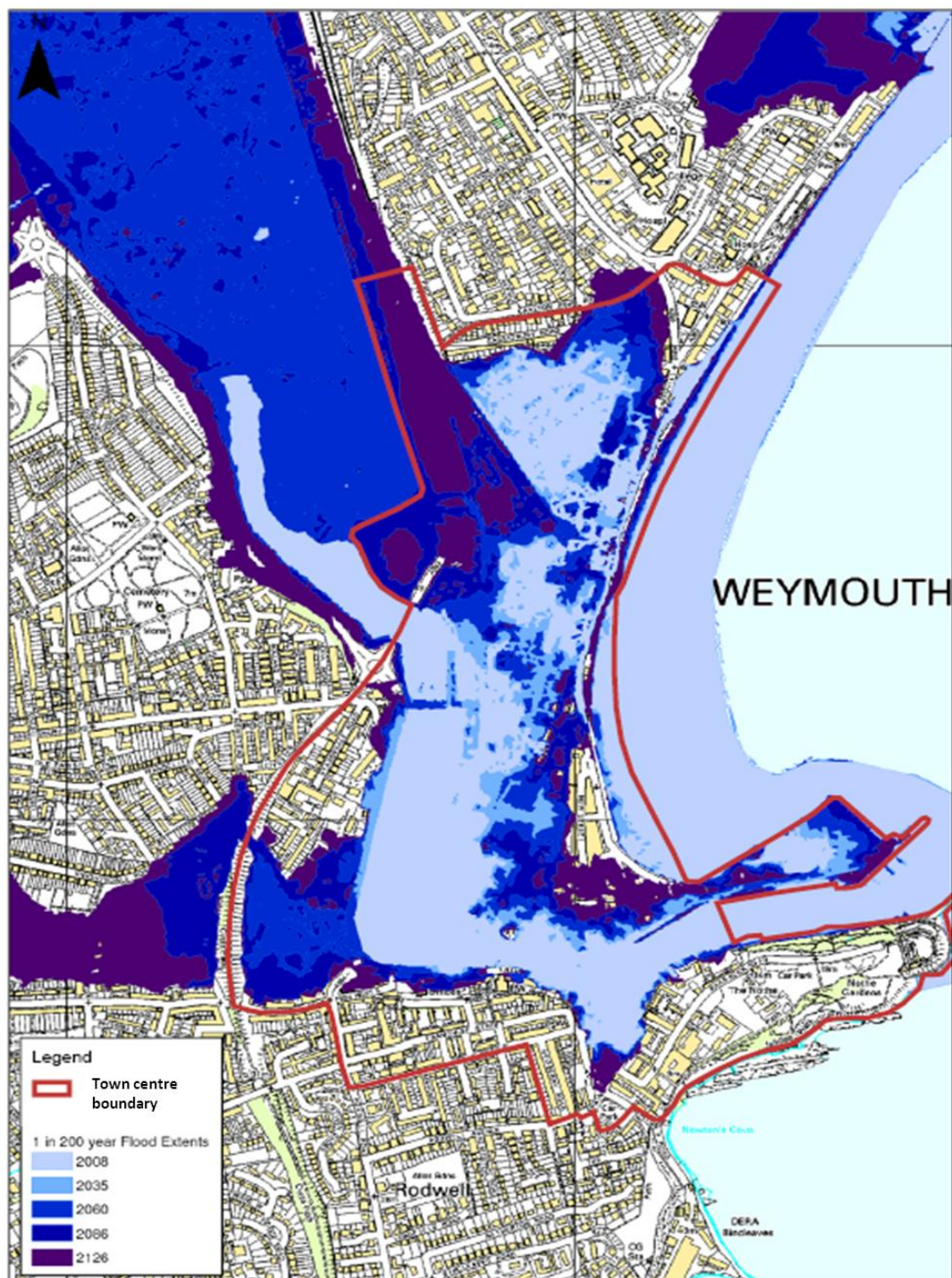
3.0 BACKGROUND

Context

- 3.1 Weymouth & Portland Borough forms a peninsula with an extensive coastline. The town centre lies at the mouth of the river Wey at the southern point of Weymouth Bay and is the focus of the whole Borough for both residents and visitors alike. It provides employment, commercial and retail services to the surrounding area, and its beach, harbour and the Esplanade are the main attraction for the tourist industry on which much of the local economy depends. It is also the location of the railway station linking Weymouth to the strategic rail network, and the ferry terminal providing services to the Channel Islands. A substantial number of people live within the centre in both houses and flats.

Evidence base

- 3.2 In accordance with the requirements of PPS25, a Level 2 **Strategic Flood Risk Assessment** (SFRA) has been carried out by consultants Royal Haskoning to inform the preparation of replacement planning policy. This demonstrated that there are currently 450 properties at risk of flooding during a 1 in 200 year event in the town centre and, given the projected rise in sea level, this would increase tenfold by 2126. This does not take into account any potential new development over this time period which would further increase the number of properties at risk. An extensive area of the town centre is therefore classed by the Environment Agency as Tidal Flood Zone 3 - the highest risk of flooding. Map 1 below shows the predicted flood extents at 2126 in Weymouth Town Centre.
- 3.3 As a result of the SFRA findings, the Borough Council and Environment Agency jointly commissioned Royal Haskoning to develop a **Flood Risk Management Strategy** (FRMS) which was adopted by the Council in July 2010. This identified how the risk of flooding could be effectively managed to allow future growth up to the period up to 2126, the anticipated lifetime of current development. It explored options for flood defences in the town centre and recommended one option ('4b') which, at requiring an investment of approximately £66m at current prices, was considered as providing the best benefit-to-cost ratio (see section 5.0 for more details). Furthermore, the FRMS established the planning requirements for the Borough Council and Environment Agency including the need to adopt a policy that required developers to contribute towards flood defences.
- 3.4 In addition to funding from future development, the Borough Council and the Environment Agency will work together to seek grant funding towards the costs of the defences which are essential not only to enable new development to proceed, but also to protect existing development.

Map 1: Modelled 1 in 200 year flood extents

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- 3.5 Planning Policy Statement 3: *Housing* requires local authorities to carry out a Strategic Housing Land Availability Assessment (SHLAA). This identifies opportunities for delivering housing growth to demonstrate a five- and fifteen-year housing land supply. The assessment seeks to deliver sustainable development through maximising brownfield development opportunities. Sites have been identified in the town centre that not only provide for sustainable housing growth, but also offer

wider regeneration benefits as part of mixed used schemes. Without these sites it would be necessary to allocate more greenfield sites, some of which might be in less sustainable locations and/or have significant environmental constraints. The SHLAA therefore supports the location of new housing development in the town centre.

Development Proposals

- 3.6 The town centre is the focus for housing, commercial and tourism development, involving major redevelopment schemes as well as smaller scale infilling. Site-specific proposals being considered through the emerging Local Plan, such as the Pavilion/Ferry Terminal site, along with policies for better public transport and public realm investment will also play key roles in regeneration. Outside the town centre, a major mixed-use commercial and employment site (including a park & ride facility) at Mount Pleasant is being developed, and there are proposals for limited strategic extensions of the urban area on greenfield sites in the latter half of the plan period to 2026.
- 3.7 Locally derived housing targets for the Borough will be set through the replacement Local Plan, which is currently in preparation. The target considered to date has been 5,600 new homes between 2006 and 2026, the majority (5,000) being provided in Weymouth. Portland is likely to see only modest new housing development (an average of 30 homes annually), and the completion of the Osprey Quay redevelopment where the focus is on marine-related businesses and leisure uses. These targets were included in the draft Regional Spatial Strategy [RSS] (April 2006), and remained unchanged in the Secretary of State's Proposed Changes to the RSS (July 2008). With the proposed abolition of Regional Spatial Strategies it will now be for the Local Plan to define the targets.
- 3.8 New transport infrastructure, including the Weymouth Relief Road, the Weymouth Transport Package and an extension to the network of cycleways and pedestrian routes, is planned to support new and existing development by 2026.

Current and future flood risk

- 3.9 The town centre experiences flooding from the sea, both within and around the harbour and from overtopping of the Esplanade. Immediately behind the beach, the Park district, between Lennox Street and the railway station, forms a natural basin which lies below sea level. Based on the results of numerical modelling, the SFRA identified this area as at risk of flooding as a result of waves overtopping the beach from Weymouth Bay during a 1 in 10 year tidal event. This assessment was based on wave data from October 2004 which was thought to be roughly a 1 in 10 year wave event. The extent of the flooded area was shown to expand with an increasing return period, such that a large proportion of the town centre became at risk of flooding by the 1 in 200 year event.
- 3.10 Flooding from groundwater, due to percolation, is also an issue in this area. The town centre lies on a sand and shingle spit on top of Oxford Clay, with elevations

only slightly above mean sea level. The sand and shingle is highly permeable and tidal and saline water is known to enter construction trenches during high tides.

- 3.11 Wessex Water currently pumps water out of the town centre. With the forecast rise in sea level, the pumping requirements are expected to increase. Formal monitoring of the pumping undertaken could provide information about the demand and therefore the available capacity. This will highlight whether the current arrangements can be maintained into the future.

Roles and Responsibilities

- 3.12 Weymouth & Portland Borough Council and the Environment Agency (EA) share responsibilities to manage flood risk. They are currently working in partnership to resolve current and future flood risk in order to ensure that planned future growth can be accommodated within environmental limits. Without the necessary flood defences in place, much of the town centre will be at risk of flooding and investor confidence and property values will decline within the centre and the town as a whole.
- 3.13 The Borough Council has a lead role and responsibility for local flood risk management, including surface water, ground water and ordinary water courses. As local planning authority it determines planning applications in line with existing and emerging planning policy and can refuse planning permission if a development would increase the risk of flooding in addition it co-ordinates local resilience and emergency planning in its area, including response to, and recovery from, major flood emergencies.
- 3.14 The EA's role is to implement government policy on flood risk, and has a strategic overview of coastal erosion and flooding from all sources. It has responsibilities for flood defences, along with powers and duties relating to the drainage, maintenance and operations of the main rivers. Its overall aim is to reduce the risk of flooding from main rivers and the sea. In that respect, it has the duty to produce flood risk maps and issue flood warnings and develops a number of management plans to understand the threat of flooding, and plan for the sustainable management of those risks over the long-term.
- 3.15 The EA is a statutory consultee on certain planning applications within Flood Zones 2 and 3. It provides technical advice to local authorities when dealing with such applications and has the power to request the Secretary of State to call in decisions which are contrary to that advice.
- 3.16 Since 2009, the EA has advised the Borough Council against permitting any new development in the centre, until or unless such time as there are plans to ensure the security of the area and its premises from coastal flooding.

4.0 POLICY CONTEXT

Planning Policy Statement (PPS) 25: 'Development and Flood Risk'

- 4.1 PPS25¹ seeks to direct development away from areas of highest flood risk through the application of a 'sequential test', and to demonstrate that it is safe from flooding, taking account of climate change for the lifetime of the development. Flood risk is determined in terms of defined zones:
- **Zone 1:** a low probability of flooding.
 - **Zone 2:** a medium probability of flooding.
 - **Zone 3a:** a greater than 1 in 100 probability of river flooding, or 1 in 200 of coastal flooding in any one year.
 - **Zone 3b:** the functional flood plain.
- 4.2 The sequential test requires development to be steered towards the areas of lowest flood risk (Zone 1). If this is not possible, then Zone 2 may be considered for less vulnerable development (subject to an exception test), and finally, Zone 3, the area of highest risk, again subject to an exception test.
- 4.3 All development falls within one of five categories of flood vulnerability as follows;

Table 1: Flood Risk Vulnerability Classification (PPS25, Annex D)

Essential Infrastructure	<ul style="list-style-type: none"> • Essential transport infrastructure (including mass evacuation routes) which has to cross the area at risk. • Strategic utility infrastructure, including electricity generating power stations and grid and primary substations, and water treatment works.
Highly Vulnerable	<ul style="list-style-type: none"> • Police stations, ambulance stations, fire stations, command centres and telecommunications installations required to be operational during flooding. • Emergency dispersal points. • Basement dwellings. • Caravans, mobile homes and park homes intended for permanent residential use. • Installations requiring hazardous substances consent.
More Vulnerable	<ul style="list-style-type: none"> • Hospitals. • Residential institutions such as residential care homes, children's homes, social services homes, prisons and hostels. • Buildings used for: dwelling houses; student halls of residence; drinking establishments; nightclubs; and hotels. • Non-residential uses for health services, nurseries and educational establishments. • Landfill and sites used for waste management facilities for hazardous waste.

¹ Communities and Local Government, March 2010

<http://www.communities.gov.uk/publications/planningandbuilding/pps25floodrisk>

	<ul style="list-style-type: none"> • Sites used for holiday or short-let caravans and camping, subject to a specific warning and evacuation plan.
Less Vulnerable	<ul style="list-style-type: none"> • Police, ambulance and fire stations that are not required to be operational during flooding. • Buildings used for: shops; financial; professional and other services; restaurants and cafes; hot food takeaways; offices; general industry; storage and distribution; non residential institutions not included in 'more vulnerable'; and assembly and leisure. • Land and building used for agriculture and forestry. • Waste treatment (except landfill and hazardous waste facilities). • Minerals working and processing (except for sand and gravel working). • Water treatment plants. • Sewage treatment plants (if adequate pollution control measures are in place).
Water-compatible development	<ul style="list-style-type: none"> • Flood control infrastructure. • Water transmission infrastructure and pumping stations. • Sewage transmission infrastructure and pumping stations. • Sand and gravel workings. • Docks, marinas and wharves. • Navigation facilities. • MOD installations. • Ship building, repairing and dismantling, dockside fish processing and refrigeration and compatible activities requiring a waterside location. • Water-based recreation (excluding sleeping accommodation). • Lifeguard and coastguard stations. • Amenity open space, nature conservation and biodiversity, outdoor sports, recreation and essential facilities e.g. changing rooms. • Essential ancillary sleeping or residential accommodation for staff required by uses in this category, subject to a specific warning and evacuation plan.

- 4.4 There are particular circumstances where residential and commercial development which is essential for the effective functioning of a town centre may be acceptable in flood zone 3, provided that it can be demonstrated that it passes the exception test (PPS25, Annex D) and can deal adequately with residual flood risk (see 9.0 below).

Draft National Planning Policy Framework

- 4.5 Once adopted the Draft National Planning Policy Framework will replace existing national planning policy statements and guidance. The policies in the draft National Planning Policy Framework apply to the preparation of local and neighbourhood plans, and to development management decisions.
- 4.6 In relation to climate change and the management of flood risk, new development should be planned to avoid increased vulnerability to impacts arising from climate change. When new development is brought forward in areas which are vulnerable, care should be taken to ensure that risks can be managed through suitable adaptation measures, including through the planning of green infrastructure.

- 4.7 Local Plans must be supported by strategic flood risk assessments and develop policies to manage flood risk, taking account of advice from the Environment Agency.
- 4.8 Local Plans should apply a sequential, risk-based approach to the location of development to avoid flood risk to people and property where possible, and manage any residual risk, taking account of the impacts of climate change, by:
- applying the Sequential Test
 - if necessary, applying the Exception Test
 - safeguarding land from development that is required for current and future flood management
 - using opportunities offered by new development to reduce the causes and impacts of flooding; and
 - where climate change is expected to increase flood risk so that some existing development may not be sustainable in the long-term, seeking opportunities to facilitate the relocation of development, including housing, to more sustainable locations.
- 4.9 When determining planning applications, local planning authorities should ensure flood risk is not increased elsewhere and only consider development in flood risk areas appropriate where informed by a site-specific flood risk assessment following the Sequential Test, and if required the Exception Test, it can be demonstrated that:
- within the site, the most vulnerable development is located in areas of lowest flood risk unless there are overriding reasons to prefer a different location; and
 - development is appropriately flood resilient and resistant, including safe access and escape routes where required, and that any residual risk can be safely managed; and it gives priority to the use of sustainable drainage systems.
- 4.10 For individual developments on sites allocated in development plans through the Sequential Test, applicants need not apply the sequential test. Applications for minor development and changes of use should not be subject to the Sequential or Exception Tests but should still meet the requirements for site-specific flood risk assessments.

Regional / Sub Regional Policies

- 4.11 The **Regional Planning Guidance for the South West (RPG10)** currently forms the adopted Regional Spatial Strategy (RSS) for the South West, and therefore part of the statutory development plan, although legislation is currently being prepared through the Localism Bill to revoke RSSs. Policy SS3 refers to encouraging the regeneration of Weymouth and Portland, and the text of the plan identifies Weymouth as one of the potential 'Other Designated Centres for Growth' in addition to the Principal Urban Areas. Development Policy A of the Draft **Regional Spatial Strategy** for the South West (RSS) includes Weymouth in the list of 'Strategically Significant Towns and Cities'.

4.12 Until the replacement Local Plan is formally adopted, the 2001 **Bournemouth Dorset & Poole Structure Plan**² remains part of the statutory development plan. The following 'saved' policies provide relevant guidance in terms of the location of new development and provision of services:

- **Settlement Policy B** identifies Weymouth as a focus for economic regeneration which will be assisted by the development of employment, shopping, education, tourism, recreation and community facilities.
- **Settlement Policy D** similarly identifies Weymouth as a location for the concentration of housing growth.
- **Implementation Policy E** states, *"When preparing local plans and determining applications for development, the local planning authorities should ensure that the development can be satisfactorily serviced in terms of water supply, drainage, sewerage, energy supplies, telecommunications and a range of transport modes. Where appropriate, developer contributions to the provision of such services will be sought."*

Joint Local Plan

4.13 A replacement Local Plan is currently in preparation, which will on its adoption replace the existing adopted Weymouth & Portland Local Plan. This will be prepared jointly with the adjoining local authority of West Dorset. Both authorities were previously working to prepare individual Core Strategies, and the work undertaken on the Core Strategies will now feed into the preparation of the new Local Plan.

4.14 Whilst noting the level of existing and future flood risk, the evidence supporting existing planning policy identifies Weymouth Town Centre as the primary driver for the local economy; the service centre for a wide area; and a significant tourist destination. It also recognises that the centre is in need of regeneration so that it can continue to fulfil this role, and that this requires new development and the intensification of existing uses. The alternative - to allow the loss or dispersal of facilities and/or the need for residents to travel greater distances to access services and jobs - is considered to be unsustainable.

4.15 Emerging planning policy has sought to promote the regeneration of the town centre, including new development, but subject to suitable design and its contribution towards the identified flood defence measures identified by the Flood Risk Management Strategy. Development beyond the town centre boundary will also continue to rely on the centre to provide the services and employment opportunities to sustain it as part of the wider economy, and will also be expected to contribute to its defences.

² Dorset County Council <http://www.dorsetforyou.com/390059>

- 4.16 The Borough Council also intends to prepare Community Infrastructure Levy (CIL) in respect of all development and will include the approach to contributions to flood defence measures.
- 4.17 As an interim measure until the adoption of the Local Plan and Community Infrastructure Levy (programmed for 2013), this document sets out the requirements of new development within future flood extents in the town centre to demonstrate that they are safe from flooding pending the construction of new defences, and the contributions required towards the cost of providing them for long term security. Compliance with these requirements will enable development to proceed ahead of adoption of the Local Plan and CIL.
- 4.18 With this policy in place, the Borough Council will be able to enter into pre-application discussions with developers and landowners to bring development forward in the town centre. Those schemes which have previously been delayed whilst the policy has been developed will now be able to proceed.

5.0 PROPOSED FLOOD DEFENCE SCHEME

5.1 The Weymouth Flood Risk Management Strategy³, which identified a preferred option ('4b') for flood defences in Weymouth Town Centre, was endorsed by the Borough Council in July 2010 as a way forward to enable development to recommence in the town centre. The preferred option involves -

- construction of a tidal barrier;
- replacement of the existing downstream walls and quayside; and
- a scheme to prevent wave overtopping along The Esplanade.

5.2 To minimise the height of raising the walls along the quayside, the tidal barrier would be constructed near the entrance of Weymouth Harbour, but at a location that would not affect the operation of the ferry terminal. This would prevent tide levels exceeding the height of the existing quay walls.

5.3 This approach would still require the ongoing repair and replacement of the quay walls and the existing flood walls as they come to the end of their useful life. It would allow existing wall heights to remain as they contribute to the character of the town. It would also mean that, potentially, the existing drainage network may be less affected by increasing mean sea level, although the higher water table could still be a concern.

5.4 This option could be delivered in a phased approach:

Phase 1

- Replacement of all quayside structures and other raised flood defences to a current 1 in 200 year level.
- Raising of the Esplanade, a cut-off wall along the Esplanade to prevent percolation and construction of a wave return wall along its length to prevent overtopping.

Phase 2

- Construction of a tidal barrier near to the mouth of Weymouth Harbour.

Phase 3

- The opportunity to adapt the barrier to form a tidal lock gate to allow continued use of Weymouth Harbour.
- Incorporation of a more extreme option, e.g. ground raising, if required following future monitoring of sea level rises.

5.5 More detailed investigations are required to refine and develop the preferred option. Therefore, in the early years, developer contributions would be put towards these necessary technical/feasibility studies to ensure that the most cost-effective scheme is being progressed.

³ Weymouth & Portland Borough Council <http://www.dorsetforyou.com/401457>

6.0 FUNDING STRATEGIC FLOOD DEFENCES

Public Funding

6.1 Developer contributions will only make up a small proportion of the cost of the flood defences required for the town centre. The Borough Council and Environment Agency will therefore need to work together to identify additional external sources of funding. At present, the most obvious funding opportunities include:

- Regional Growth funding through a Local Enterprise Partnership type organisation.
- Grant funding from the Environment Agency and/or DEFRA.
- Planned harbour works funding from the Borough Council.
- Homes & Communities Agency: the Bournemouth, Dorset & Poole Local Investment Plan identifies Weymouth Town Centre as one of its priority areas for dealing with the effects of climate change.
- Tax Increment Finance.
- New Homes Bonus.

6.2 Alternative sources may emerge as the Coalition Government provides greater detail on its proposals for future infrastructure and regeneration funding.

Development Funding

6.3 Developers would make a payment towards flood defences on the basis of a tariff that ensures all new development in the town centre makes a contribution. Setting a standard level of contribution provides greater certainty to owners and developers so that they can factor in scheme costs from the outset. It also reduces the need for lengthy negotiations on contributions secured through standard Section 106 agreements. Tariff systems have been put in place across the country as a way of providing finance for infrastructure that is necessary to allow important development to come forward. In the future tariff will be set through the new Community Infrastructure Levy.

6.4 In the short term, developer funding will be the primary mechanism for financing the flood defence scheme. As monies build up, it provides a much enhanced business case on which to bid for capital funding from the potential sources outlined above (6.1).

6.5 This interim policy document seeks contributions only from development in the town centre, which would otherwise have to be refused on the grounds of unacceptable flood risk. The potential for contributions to be sought from development in other areas of the borough will be considered in the preparation of future Local Plan policy documents.

7.0 THE LEVEL OF CONTRIBUTION/TARIFF

How the level has been established?

- 7.1 A number of methods for setting the level of developer contribution towards flood defences have been explored. The overall cost of the works is extensive at £66m (2010 prices), but the amount of proposed growth in the town centre is relatively modest in comparison. In addition, the flood defence works will benefit existing, as well as new, development. At present, there are 450 dwellings in the town centre at risk from flooding. By 2126, however, it is estimated that 4,042 existing properties plus extensive commercial, cultural and heritage assets will be at risk.
- 7.2 The Borough Council, as Local Planning Authority, considers that the fairest way to impose a tariff is to consider the proportion of proposed new development (growth) over and above the total existing development in the Borough, and then make an assessment of the percentage of that growth that would be located in the town centre. The Town Centre boundary, as defined for the purposes of imposing the tariff, is shown on the accompanying map 1. There are significant sustainability benefits in protecting and regenerating the existing town centre. Therefore, subject to payment of the tariff and addressing the residual flood risk, development will be permitted within this town centre boundary on sites that are within future Flood Zone 3 when the provisions of PPS25 would normally preclude it through the sequential test.
- 7.3 A distinction has been made between development within the town centre that falls within future Flood Zones 3 and that which is within the town centre boundary, but outside these flood zones. Development in these latter areas could proceed if residual flood risk can be satisfactorily dealt with. In addition, the flood vulnerability of the proposed use has been considered.
- 7.4 The viability of the proposed tariff has been tested by the District Valuer Service Development Viability consultancy and judged to be well within affordable limits under the current economic climate. It has also been established that there is additional residual value available for other contributions such as affordable housing and open space. Details of this viability assessment are contained in Appendix 2.

To what proportion of the cost should new development contribute?

- 7.5 The Flood Risk Management Strategy identifies that major flood defence infrastructure needs to be implemented by the end of 2033. It is reasonable to assume, therefore, that funding needs to be in place and work started by 2030. This is beyond current planning time horizons of 2026, so an assumption has to be made about levels of growth between 2026 and 2030.

- 7.6 At 31st March 2010, there were 31,113 dwellings in Weymouth & Portland. These include 1,019 of the emerging Local Plan's potential 5,600 new dwellings (2006-2026) which had been completed since 2006. At 1st April 2010, the balance of the strategic requirement was therefore 4,581, of which 961 already have planning consent and are therefore not eligible for contributions towards flood defences. The remaining 3,620 dwellings could make financial contributions up to 2026.
- 7.7 From the Borough Council's 2009/10 Annual Monitoring Report's demonstration of 5 year land supply, a growth rate based on the potential housing figures in the Local Plan is projected as 297 dwellings per annum. This same level of growth has been projected forward for the period 2026 – 2030, giving a total of 1,188. A combined figure inclusive of development to 2030 gives a total of 4,808 dwellings.
- 7.8 To establish how much of this new development would be within the town centre, the historic rate of completions in the town centre has been taken and an estimate made of how much development town centre site allocations could accommodate. This was compared with development within the whole of the Borough. Approximately 39% of the requirement is likely to occur in the town centre. This proportion has similarly been carried forward to 2030.

What type of development pays the tariff?

- 7.9 All **residential** development equal to, or in excess of one net unit will be required to make a contribution towards flood defences. This includes holiday lets, sheltered housing and affordable housing (subject to suitable demonstration of viability).
- 7.10 Extension or alterations to existing homes that do not create a separate additional home will be exempt; proposals for self-contained annexes to an existing dwelling will attract a contribution.
- 7.11 The conversion or subdivision of existing buildings to residential will be required to make a contribution on the basis of number of net additional units.
- 7.12 Proposed new housing development in the Borough to 2026 (7.6 above) will add approximately 16% to the existing stock (4,808 out of 31,113). The total cost of the flood defence works of £66,000,000; 16% of this equates to £10,560,000.
- 7.13 The proportion of total proposed housing growth within the town centre is 39% (1,854 units out of 4,808). This same proportion of £10,560,000 equals £4,118,400: this sum divided by number of units in the town centre equals £2,221 per unit. Therefore, a baseline tariff for one and two bedroom units of **£2,250** is proposed. For larger properties this increases to £2,500 for 3 bed units and £2,750 for 4+ bed units as the more bedrooms a property has the greater the number of people potentially subject to flood risk.
- 7.14 In addition to housing, other forms of development such as **employment, retail, leisure and health services** will benefit from enhanced flood protection in the town

centre. **Hotels/guest houses** and **care homes** over 100 sq m will be treated as commercial development. Any disaggregation of non-residential use will be considered on an individual case basis. **Community facilities** such as health centres, community halls and libraries will not be expected to contribute a payment.

- 7.15 It is proposed that the tariff for these uses should be based on a contribution per 100 sq m of additional gross internal floorspace. The average dwelling size in the Borough is approximately 75 sq m; based upon the baseline tariff of £2,250 per unit, this equates to approximately £2,967 per 100 sq m of gross internal floorspace per application. For ease of administration, this has been rounded up to **£3,000**.
- 7.16 Whilst this approach will be appropriate for most forms of development, it is possible that some proposals will involve a large amount of floorspace but be relatively low density uses. It is proposed therefore that a **maximum cap of £100,000** will be applied.

Table 2: Summary of proposed contributions tariff

Unit Size	Tariff
Residential	
1 & 2 bedrooms	£2,250
3 bedrooms	£2,500
4+ bedrooms	£2,750
Commercial *	
per 100 sq m	£3,000

*contribution capped at £100,000

Flood risk vulnerability

- 7.17 Depending on flood risk vulnerability and the flood zone in which they are proposed, some of the uses listed above would not pass the exceptions test in PPS25 without the proposed defences. As a result, the tariff should be applied to development types according to flood risk vulnerability.
- 7.18 In that respect, PPS25 sets out a classification for different types of uses (see pages 8/9 above) and identifies which type of use is acceptable within different flood zones. Table 3 below summarises which uses in which flood zone would be charged the full tariff as they are more directly affected by flood risk, and those which be eligible for a 50% reduction (see also Appendix 1).

Table 3: Tariff charged according to use

FLOOD RISK VULNERABILITY CLASSIFICATION (See Table 1)	[Future flood zone 3]
<i>Essential infrastructure</i>	FULL PAYMENT
<i>More vulnerable uses</i>	FULL PAYMENT
<i>Less vulnerable uses</i>	HALF PAYMENT
<i>Water compatible development</i>	HALF PAYMENT

8.0 HOW THE TARIFF WILL OPERATE

Means of Payment

- 8.1 The payment of the tariff does not mean that flood risk issues associated with the proposal are resolved. Schemes must also comply with the provisions of PPS25 which may include passing the sequential and exceptions tests. If schemes cannot meet these requirements, applications will be refused permission.
- 8.2 Contributions must be secured by means of a legal agreement. This can be done by either a **Unilateral Undertaking** or a **Section 106 Agreement**. A Unilateral Undertaking (a written commitment by the applicant or developer) will be appropriate to most applications where no reciprocal commitments by the Borough Council are involved. However, on larger sites, particularly where affordable housing or other contributions are required, a Section 106 Agreement would be required.
- 8.3 Which type of legal agreement is more appropriate should be discussed with planning officers at the pre-application consultation stage.
- 8.4 Where appropriate, applicants will be required to include a draft Unilateral Undertaking or S106 Agreement with their application. This should reflect the latest standard contributions outlined in this document. Any obligation should set out the land to which it relates, the parties with an interest in that land, the development proposed, and details of the contribution to be made if planning consent is granted. The obligation will be registered as a local land charge. Model agreements and more detailed guidance are available on the Council's website www.dorsetforyou.com/floodpolicy/wpbc. However, the principles are as follows:
- Contributions will be paid when the development commences; on larger schemes this may be phased. The breakdown of payment by phasing will depend on the nature of the scheme.
 - Legal/administration fees to cover the costs incurred with the Unilateral Undertaking or S106 Agreement will be charged at a rate of 3% of the payment sought. There will be no upper limit for the level of fee.
 - Contributions will be held by the Borough Council for a minimum 20 years and a ring fence mechanism put in place for town centre flood defences.
 - The Borough Council will produce an annual statement of total contributions secured.
 - The Borough Council and the Environment Agency will commission further work to review the detail and costing of the preferred flood defence option, available alternative sources of funding and the strength of the business case for delivery of the scheme.
 - Contributions will be index-linked.
 - In the event of any decision not to go ahead with a flood defence scheme, unspent funds will be refunded.

Scheme Viability

- 8.5 The viability study carried out by the District Valuer (Appendix 2) has established that there was sufficient value in most development schemes to be able to afford the level of tariff proposed for flood defences, with the exception of single use industrial, office or tertiary shopping schemes. The tariff has been set at such a level that there is also additional value available for other requirements such as affordable housing and open space. This work takes into account the current economic conditions.
- 8.6 However, due to individual characteristics and uses proposed, some sites may have exceptional development costs that make proposals more marginal. The addition of the tariff may therefore prevent them from going ahead at all. In such cases, the Borough Council will seek to negotiate an appropriate level of contribution with the developer to enable a reasonable chance of the development proceeding.
- 8.7 If a developer considers that a scheme is not viable due to the level of contribution sought, they will be asked to submit a development appraisal in advance of the planning application including supporting information concerning site constraints, costs and projected income. The Borough Council has worked with Three Dragons Ltd to develop a locally-based appraisal toolkit to assist in assessing the viability of proposals. The latest version of this toolkit will be supplied to developers to test viability. However, if applicants wish to use an alternative, industry-recognised toolkit, they should make clear what inputs and assumptions have been made in their appraisals, and share these with the Borough Council. If developers have submitted their own appraisals, the Council may undertake its own assessment of viability and request that the developers meet the cost of this third party advice.

What if a scheme is not viable?

- 8.8 If it has been agreed that a scheme would not be viable due to the level of contribution sought, and it is acceptable in other respects, there are two possible options: either **defer payment** of the contribution, or **reduce the level of contribution** sought. However, the Borough Council may refuse an application if it considers that it would be premature and better brought forward at a later date when the economic climate is more favourable and the required contributions could be made.
- 8.9 Deferring a payment can help reduce borrowing costs and this will be explored first to see if it can make a scheme viable. If this is unlikely to make a significant difference to viability, the Borough Council may consider reducing the level of contribution; this will be a matter for negotiation. When negotiating, the Borough Council will take into account objectives such as ensuring sufficient land comes forward for development and meeting affordable housing requirements. ***With regard to the town centre, the priority will be contributions towards flood defences.***

9.0 DEALING WITH RESIDUAL FLOOD RISK

- 9.1 Flood risk to people and property can never be completely removed, but it can be managed. A residual risk will remain even after flood management or mitigation measures have been put in place. Examples of such risks include overtopping of defences; failure of a pumped drainage system; a severe flood event that exceeds a flood management design standard; or an intense rainfall event.
- 9.2 The Borough Council, as both Local Planning Authority and Emergency Planning Authority, has the responsibility of dealing with residual flood risk. Annex G to PPS25 and the associated practice guide gives guidance on how to manage residual flood risk and the measures outlined fall into three main categories:
- *flood resilience and resistance measures;*
 - *flood warning and evacuation plans;* and
 - *designing new sustainable drainage systems,* taking account of storm events which exceed the design standard.
- 9.3 Which or how many of these measures to employ would be determined by individual site characteristics and proposed uses. Sustainable Drainage Systems (SuDS) are not possible within the town centre due to the nature of ground water. Appropriate measures would have to be detailed as part of the required site specific FRA (Flood Risk Assessment) and would be enforced by planning conditions. Guidance for producing a site specific FRA and Flood Resilient construction is available from the Environment Agency.⁴
- 9.4 Developers are strongly advised to consult with the local authority & Environment Agency before preparing an FRA to establish which measures are deemed necessary in relation to future flood levels on the proposed site.

Flood resilience & resistance measures

- 9.5 Government guidance on improving the flood performance of new buildings (2007)⁵ sets out a hierarchy of design considerations to reduce risk. The first is to build outside the flood zone, but where this is not possible the following measures should be incorporated into the scheme:

Resistance – prevent water entry into the building e.g. flood resistant doors and windows, protecting air bricks, flood barriers etc

Resilience – building in such a way that if water enters the building the impact is reduced and there is no permanent damage. The structural integrity is maintained and drying and cleaning are made easier e.g. Using water resistant materials for walls, floors and fixtures, and electrical controls, cables etc sited above flood level.

⁴ Environment Agency <http://www.environment-agency.gov.uk/research/planning/93498.aspx>

⁵ Communities and Local Government

<http://www.communities.gov.uk/publications/planningandbuilding/improvingflood>

Flood warning and evacuation plans

- 9.6 Flood warning and an evacuation plan are essential elements in the management of the residual risk of flooding. How people respond to them is equally important and consideration has to be given to how plans and warnings are issued, particularly to those with impaired hearing, sight or mobility, and those who may be unfamiliar with the area, such as holiday makers and visitors.
- 9.7 In its role as Emergency Planning Authority, the Borough Council is preparing a *Town Centre Emergency Response Plan* that will detail how people will be warned of a flood event and what they should do. It will set out in which locations it may be appropriate to evacuate; those where it would be advisable to stay put; and what needs to be done in the event of these two scenarios.
- 9.8 Developers should take advice from the Emergency Planning Officer when preparing flood warning and evacuation plans as part of their Flood Risk Assessment.

Planning for different levels of risk

- 9.9 At present, any new development in the town centre would not be adequately protected by flood defences to cover the lifetime of the development (100 years). Furthermore, residual flood risk is difficult to address in certain locations due to predicted flood levels including climate change up to 2126. However, by 2030 the preferred flood defence option is proposed to be in place to provide adequate protection. A realistic horizon over which residual flood risk needs to be addressed in the town centre is therefore the 1 in 200 year level at 2030.
- 9.10 By 2030 it is anticipated the 1 in 200 year extreme tide level in the town centre will have risen to 2.5m AOD – 200mm higher than the existing defence level and therefore resulting in overtopping. Ground and threshold levels behind the defences are generally in the order of 2.0 - 2.1m AOD, resulting in flood depths of around 0.4m diminishing away from the harbour to higher ground. Along with other measures discussed elsewhere, this is considered to represent an acceptable and manageable flood risk up to 2030, provided adequate mitigation measures to manage residual flood risk are incorporated within the development proposal.
- 9.11 Appropriate measures will depend on the site's location in relation to flood zones, site characteristics and proposed uses. These could include:
- locating highly / more vulnerable uses on parts of the site at less risk of flooding;
 - using ground floors of buildings for less vulnerable and water compatible uses, i.e. commercial development, non-residential institutions, marinas, amenity open space, nature conservation, car parking;
 - innovation in the design of mixed use sites;
 - raising floor levels where appropriate and taking account of access; and
 - using flood resilient construction methods such as – water resistant materials for floors, walls & fixtures, siting electrical controls, cables etc above flood level.

<p>APPENDIX 1</p> <p>CONTRIBUTIONS TARIFF</p>

Unit Size	Tariff
Residential	
1 & 2 bedrooms	£2,250
3 bedrooms	£2,500
4+ bedrooms	£2,750
Commercial	
100 sq m*	£3,000

*contribution capped at £100,000

Flood Vulnerability Classification (Future Flood Zone 3)

<i>Vulnerability Class</i>	Essential Infrastructure	More Vulnerable	Less Vulnerable	Water Compatible Development
<u>Example developments</u>	<i>Essential transport infrastructure; strategic utility infrastructure.</i>	<i>Hospitals, dwellings & residential institutions; drinking establishments; night clubs; hotels; health services; educational establishments; sites for holiday or short let caravans and camping.</i>	<i>Shops, restaurants; cafes; offices; general industry; storage; distribution; assembly & leisure.</i>	<i>Marinas; wharves; ship building/repair; fish processing; water based recreation; lifeguard; coastguard stations; outdoor sport and recreation facilities; navigation facilities.</i>
	FULL PAYMENT	FULL PAYMENT	HALF PAYMENT	HALF PAYMENT

APPENDIX 2

FLOOD DEFENCES CONTRIBUTIONS POLICY VALUATION STUDY

for

Weymouth & Portland Borough Council

**District Valuer Services
South East
Overline House
Blechynden Terrace
Southampton
SO15 1GW**

**Tel 023 8053 8500
Fax 023 8053 8599**

EXECUTIVE SUMMARY

1. DVS, part of the Valuation Office Agency, have been commissioned by Weymouth & Portland Borough Council to produce financial appraisals to assess the potential for new developments within the Borough to make additional S106 payment towards flood defences required in the town in the period to 2030. This study has involved notional developments of various classes of development (shops, offices, industrial and residential) together with assessments of two current schemes within the Borough.
2. The appraisals have been designed to assess the impact on development viability of additional S106 payments by assessing the surplus or deficit arising from each development after delivering a reasonable market return to the developer in each case.
3. The assessments draw upon the data held within the Valuation Office Agency relating to current sales and rental levels across the property types. They also follow market practices derived from our extensive experience in assessment of development viability relating to current planning applications/appeals. Detailed assumptions are explained within the report
4. The case for robust supporting evidence is even more critical given the current economic climate; this can make it more difficult to fulfil certain Section 106 Policy requirements. The valuation study has demonstrated that this may be the case with regard to Office, Industrial and Tertiary Retail land uses in Weymouth Town Centre. However, the study clearly demonstrates that there is sufficient value across the majority of development types (including housing) to support an increase in Section 106 payment requirements. The table below shows the results of the study at present values and costs.

Development	Target profit	Actual profit	Viable	Residue for S106/ Flood payment
Industrial	15%	-41%	No	- £ 189,545
Offices	15%	-28%	No	- £ 127,382
Shop prime	15%	74%	Yes	£ 394,213
A3 Prime	15%	73%	Yes	£ 462,344
Shop secondary	15%	50%	Yes	£ 102,821
A3 Secondary	15%	53%	Yes	£ 154,665
Shop tertiary	15%	11%	No	- £ 6,641
A3 Tertiary	15%	23%	Yes	£ 18,374
Residential houses	17.5%	25%	Yes	£ 11,737
Residential houses (30% AH)	16%	17%	Yes	£ 1,223
Residential flats	17.5%	27%	Yes	£ 12,346
Residential flats (30% AH)	16%	19%	Yes	£ 4,048

5. This table demonstrates the ability for further S106 payments to be confined to prime and secondary retail/A3 uses and in more limited sense to residential developments.

6. The report also sets out assumptions for sales and costs growth in the medium term which improves the potential viability from residential uses. This responds to general market predictions that the market will improve by 2014 and beyond. However, such values will be affected by cost increases resulting from the government's timetable for Code for Sustainable Homes (CfSH) requirements. In response to this, the report models at Code 6 but adopts a cost level at 50% of current costs to reflect improvements in technology and greater economies of supply by a mandatory requirement.
7. The table below shows the effect on residential uses by these 'out-turn' assumptions:

At values + 10% and costs +5%

Development	Target profit	Actual profit	Viable	Residue for S106/ Flood payment
Residential houses	17.5%	29%	Yes	£ 20,252
Residential houses (30% AH)	16%	23%	Yes	£ 10,920
Residential flats	17.5%	31%	Yes	£ 19,140
Residential flats (30% AH)	16%	25%	Yes	£ 11,804

At values + 20% and costs + 10%

Development	Target profit	Actual profit	Viable	Residue for S106/ Flood payment
Residential houses	17.5%	33%	Yes	£ 28,768
Residential houses (30% AH)	15%	28%	Yes	£ 21,089
Residential flats	17.5%	34%	Yes	£ 25,934
Residential flats (30% AH)	15%	30%	Yes	£ 19,943

8. The generic appraisals demonstrate that industrial and office developments (unless part of a mixed use development) are unlikely to be able to make flood defence contributions.
9. Prime and Secondary retail/A3 uses are healthily viable and can afford such contributions at an appropriate level. Tertiary shops are unlikely to be able to do so but a higher value A3 use in a tertiary location would be better placed to make a contribution.
10. Residential uses at current costs and values can afford a S106 contribution. Developments with affordable housing content are able to make a more limited contribution.
11. If a measure of house price recovery (+10% & +20%) is factored into the assessments and growth in build costs (+5% & +10%) then the ability of both private and affordable housing to make appropriate contributions is significantly improved. This should add support to formation of a contributions policy to span a number of years. However, in the short to medium term such additional requirements may require individual site viability assessments.