

Section 106 planning obligations draft supplementary planning document

Achieving positive planning through the use of
planning obligations

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www.southwark.gov.uk



Definitions and legal information

Planning obligations (or section 106 (s106) agreements)

Planning obligations (or section 106 (s106) agreements) are an effective way of securing measures to overcome the negative impacts of generally acceptable development proposals on the environment, economy and community. This does not mean that planning obligations are a way of “buying” planning permission. Development that has significant negative impacts will not be approved, irrespective of planning obligations. Planning obligations may also be known as “planning agreements” and “planning contributions.” What can and cannot be the subject of planning obligations is the subject of extensive legal and government policy tests. This document seeks to provide detailed local policy guidance building upon that national guidance.

Conditions

Planning permission is usually subject to certain conditions. These conditions need to be met in order for development to be allowed to proceed. They will generally deal with less complex issues than those dealt with by way of Planning Obligations (e.g. time limits for implementation, the submission and approval of further details, restrictions on the use). What can and cannot be the subject of planning conditions is the subject of extensive legal and government policy tests.

Standard charges

Standard charges are a set of general formulae that are used to estimate the amount of contributions that are likely to be sought for a particular type of development, based on a local planning authority’s policies and evidence of the common impacts of development. These will then be enforced through a planning obligation.

Heads of Terms

Heads of Terms is a document setting out the particular items of a s106 agreement as agreed in principle between the council and developer. It is advisable for Heads of Terms to be agreed prior to committee or delegated officers making a “minded to approve” decision. Any subsequent reluctance on the developer’s part to adhere to agreed heads of Terms may justify a refusal of permission.

Unilateral undertakings

Instead of agreeing obligations through the standard process of negotiation and agreement between the council and developer, developers may prepare the terms of a planning obligation on their own, without prior discussion with the council. These will then be submitted to the council. If the terms are acceptable the fact that the document has not been negotiated should not in itself be seen as a bar to the grant of permission. Where any unilateral undertaking does not meet the council’s objectives permission should be refused.

Southwark Plan

Southwark Plan is the main set of planning policies for the borough, also known as the Unitary Development Plan (UDP), and this forms the core of the local development framework (LDF). It sets out a vision and policies for the sustainable use and development of land through protection and regeneration to deliver the Community Strategy over the next 10 years. The policies are used to determine applications for planning permission in the borough, along with the London Plan and other planning documents, such as supplementary planning documents.

Supplementary Planning Document (SPD)

Supplementary Planning Document (SPD) expands upon and provides further guidance on how planning policies in the Southwark Plan should be applied. Once adopted, an SPD will become a material consideration when considering planning applications in Southwark and is regularly monitored and reviewed.

Pooled Contributions

Where the combined impact of a number of developments creates the need for infrastructure or facilities, associated developers' contributions can be pooled, in order to allow the required infrastructure to be secured in a fair and equitable way.

Abbreviations

CPB	Community Project Bank
DCLG	Department for Communities and Local Government
DPD	Development Plan Document
LDF	Local Development Framework
LDS	Local Development Scheme
LEA	Local Education Authority
LPA	Local Planning Authority
ODPM	Office of the Deputy Prime Minister
S106	Section 106
SCI	Statement of Community Involvement
SPD	Supplementary Planning Document
WPC	Workplace Co-ordinator
UDP	Unitary Development Plan

Key document references

Circular 05/05

http://www.communities.gov.uk/pub/320/Circular0505PlanningObligationsPDF149Kb_id1144320.pdf

London Plan

<http://www.london.gov.uk/mayor/strategies/sds/index.jsp>

The Southwark Plan (Modifications version)

<http://www.southwark.gov.uk/YourServices/planningandbuildingcontrol/planningpolicy/emergingsouthwarkplan.html>

The Southwark Plan Proposals Map

<http://www.pcgraphics.uk.com/southwark/>

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Consultation document

Southwark Council seeks views on this draft supplementary planning document for section 106 planning obligations.

This supplementary planning document provides guidance that expands on the policies concerning planning obligations of the adopted Southwark Unitary Development Plan (1995) and the emerging Southwark Plan (UDP) Modifications Version (2006).

The formal consultation period will be from January 9 2007 to February 20 2007. The comments received during the public consultation period, officers' responses and any recommended changes will be reported to Members, and a resolution sought to adopt this supplementary planning document as part of the Southwark Council Local Development Framework. Should this document be adopted by the council it will be used by planning officers in the determination of planning applications and will be regularly reviewed.

Please note that this draft supplementary planning document (SPD) has been subject to a sustainability appraisal and equalities impact assessment. Separate documents detailing these appraisals are available from the address below or via the council's webpage at

www.southwark.gov.uk/yourservices/planningandbuildingcontrol/localdevelopmentframework/SPD.html

All comments and enquiries regarding this consultation should be made by February 20 2007 to

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Section 1 Introduction

Overview

1. Planning obligations are used to provide measures to mitigate the impacts of proposals to make acceptable development that would otherwise be unacceptable. Planning obligations are unlikely to overcome fundamental objections to a proposal that prevent planning permission being granted. They should not be seen as a way for the council to share in the profits from a development or as an inducement offered by a developer as a way to gain planning permission. Unrelated or unnecessary planning obligations are not a means to secure planning permission for unacceptable development. Planning obligations should always be relevant to a development and contribute to achieving the planning aims of the council including sustainable communities.
2. Some impacts may be directly attributable to a particular development. For example, the amount of vehicle or pedestrian traffic attracted by a development may, to a large extent, be predictable. The fact that this may give rise to the need for adjustments to the public highway in the immediate vicinity of the development may often be easily recognisable.
3. In many cases developments will have cumulative effects that will increase pressure on existing infrastructure and facilities and create demand for new provision. For example, small housing developments may bring a small number of new households into an area. The additional demands that this puts on infrastructure such as public transport, schools and health services are less easily identifiable and attributable to an individual development. However, each new housing development will be contributing to the substantial growth in population that is planned for London and Southwark and the cumulative impacts of that growth. The cumulative effect of all new development is forecast and apportioned to each new development according to formulas explained in this document.

Planning conditions versus obligations

4. In dealing with planning applications, local planning authorities consider each on its merits and reach a decision based on whether the application accords with the relevant development plan, unless material considerations indicate otherwise. Where applications do not meet these requirements, they will be refused. However, in some instances, it may be possible to make acceptable development proposals, which might otherwise be unacceptable, through the use of planning conditions. Where conditions are not appropriate, the LPA will seek to mitigate the impacts of unacceptable proposals through planning obligations. In accordance with DCLG Circular 05/2005 (B2), where there is a choice between imposing conditions and entering into a planning obligation, the imposition of a condition is preferable. Planning obligations will be the preferred method of ensuring the provision of complex arrangements, such as affordable housing, travel plans and the payment of commuted sums.

Reasons for refusal

5. It should be noted that planning conditions and obligations are a means to achieve an acceptable development. Should a proposal be unable to support the required conditions or contributions it is unlikely to be acceptable and will be refused.

Purpose of this SPD

6. There is a need for a Supplementary Planning Document (SPD) to take into account the overall, cumulative impact of development on the London Borough of Southwark, and explain how this will be dealt with through the use of planning obligations. This SPD sets out how planning obligations are used to promote sustainable development and deliver the infrastructure necessary to support the growth of the residential, business and visitor populations. Planning obligations, including the use of standard charges, will be sought to mitigate the direct and cumulative impacts of developments.
7. This draft SPD provides guidance that expands on the policies concerning planning obligations and obligations of the adopted Southwark Unitary Development Plan (1995), particularly Policy R.2.2 Planning Agreements and the emerging Southwark Plan (UDP, 2006), particularly Policy 2.5 Planning Obligations and appendix 7.
8. This draft SPD should be used by members, planning officers, other council officers, developers and the general public as a guide to the council's position on Section 106 planning contributions. It will be a material consideration when considering planning applications in Southwark and will be regularly monitored and reviewed.

The council's approach

9. The council's approach to requiring and spending planning obligations consists of 3 elements. These are:
 - a clear strategy for requiring planning contributions as set out in the Southwark Plan and this SPD
 - improving monitoring processes for the tracking and spending of planning contributions
 - a wider approach to identifying potential projects for planning contributions and linked activity such as the councils' capital spending programmes, Neighbourhood Renewal Fund and other sources of funding.
10. The council recognises the need to adopt a balanced approach to the regeneration of areas of intensification across the borough, in line with paragraph B10 of DCLG Circular 05/2005. Where possible, the council will build on its strong track record of delivering infrastructure, by balancing contributions from both public and private sources to make development in an area acceptable in planning terms.
11. The use of community project banks, as set out in paragraphs 40 to 43 below, will widen the approach to identifying potential projects for planning obligations that would mitigate the impacts of development. This will enable targeting of planning obligations to address identified pressures within an area that would be exacerbated should a development take place.

What may be included as a planning obligation

12. Planning obligations generally seek to restrict uses or development or provide measures to mitigate the impacts of development. The latter can be by way of a payment to the council, in lieu of works carried out in kind by the applicant.
13. Planning obligations which can be calculated using standard charges set out in this document are sought to address the following areas:
- Affordable housing
 - Archaeological investigation and excavations, preserving, recording and publishing the results and London Borough of Southwark monitoring of the excavations
 - Children's play facilities, public open space improvements, and sport and recreation
 - Community and health facilities
 - Education provision and facilities
 - Legal and monitoring costs
 - Strategic transport projects
 - Training and employment initiatives.
14. In addition to the above list of standard charges, planning obligations may also be sought to address the following areas:
- Biodiversity and nature conservation
 - Community safety initiatives
 - Conservation of buildings or places of historic or architectural interest
 - Conservation, creation and enhancement of areas of plant and wildlife habitat
 - Improvements to streets and other parts of the public realm
 - Highway works including signals, safety and road traffic reduction measures
 - Local labour and construction agreements
 - Management and maintenance payments
 - Measures to improve, and mitigate adverse impacts on, air quality and noise
 - Mixed-use development
 - Parking restrictions on developments or contributions towards the review of controlled parking zones in the area of the development
 - Pedestrian, cycle and disabled access and facilities
 - Phasing of development



- Police and fire service
 - Project management costs
 - Proposals to mitigate effects of construction traffic
 - Provision of a travel plan
 - Provision of small business space
 - Public art
 - Recycling
 - Restrictions on the use of the land
 - Sustainable building practices and fit out, such as EcoHomes, and Sustainable Urban Drainage Systems (SUDS)
 - Tourism and visitor facilities including public conveniences
 - Waste Management.
15. This list is provided as an illustration of the most commonly sought contributions but should not be considered exhaustive. It should be read in conjunction with Appendix 7 of the emerging Southwark Plan.
16. Every planning application is judged on its own merits against relevant policy, guidance and other material considerations. Where appropriate this would include an assessment of development impacts. Where planning obligations are considered necessary these may include some or all of the above or others as required. The obligations for affordable housing are explained in draft supplementary planning document (SPD) on Affordable Housing. Other SPGs and SPDs that may be relevant are set out in the Local Development Scheme (LDS).

Section 2: Procedure for negotiating planning contributions

Process for securing planning contributions

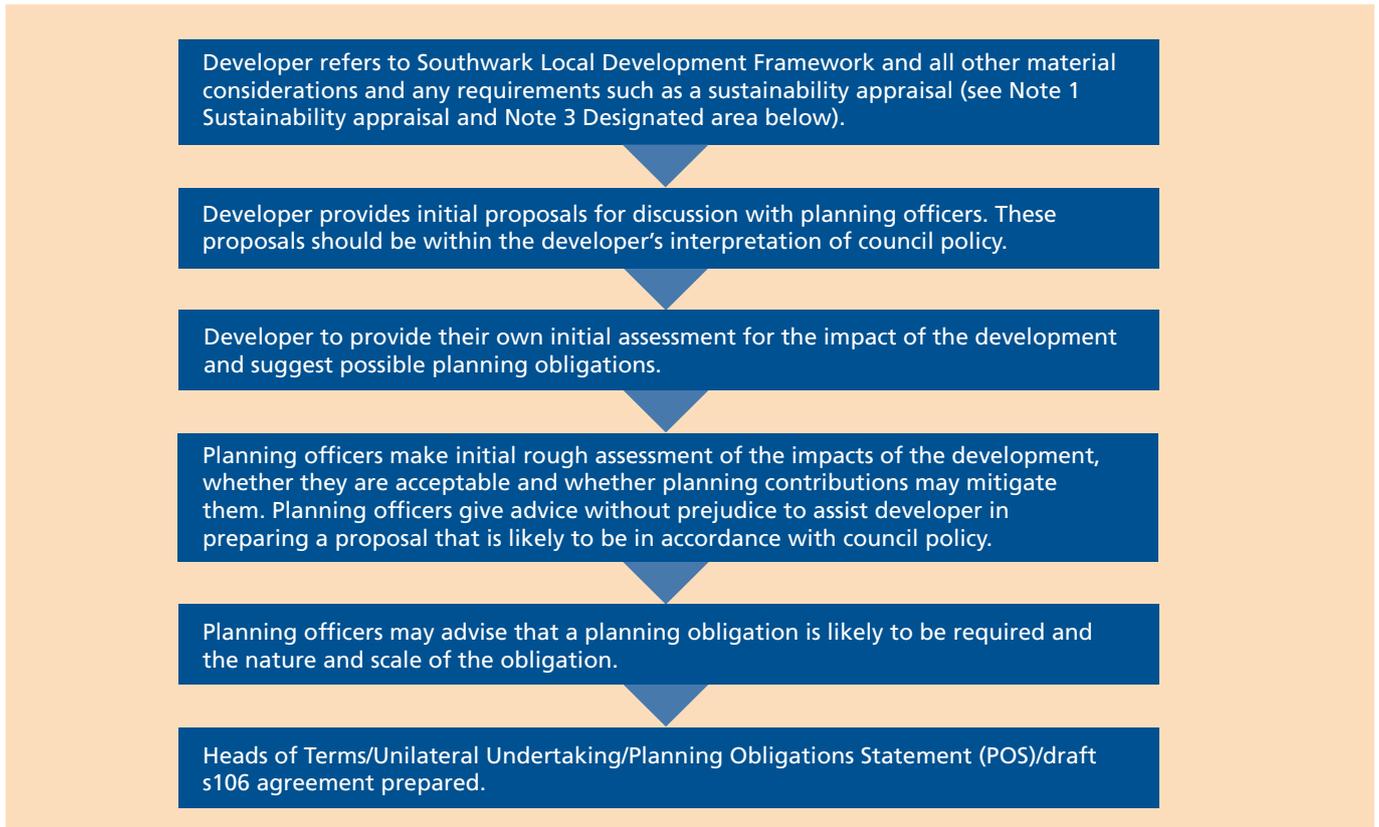
17. Southwark's approach to securing planning obligations is set within the framework of: national legislation and guidance; regional and local strategy and guidance; and any other material considerations relevant in each particular case. Southwark's Development Plan, which consists of the Southwark UDP and the London Plan, sets out the policy basis for seeking planning contributions. When carrying out negotiations for planning contributions, the council shall have regard to DCLG Circular 05/2005 Planning Obligations.
18. When a planning application is considered, planning obligations will be sought where they are material to a planning decision and mitigate against a particular impact. Planning obligations will be sought to meet the environmental, economic, cultural and social impacts of a proposed development. Reference should be made to the emerging Southwark Plan Policies SP1, 2.5 and Appendix 7 Planning Obligations.
19. A planning obligation will be sought to cover the full cost of a project or works, or a contribution towards the cost relative to the nature and scale of the impact. For example, where a housing development introduces the likelihood of an increase in the population of children, then the council will seek to secure contributions towards the cost of providing additional school places and play facilities. Should an area be deficient in play areas or district parks, such as areas in the north of the borough, then it is reasonable to require a developer to provide new facilities to accommodate the anticipated increase in population (without addressing the existing deficiency) and a developer may be expected to meet the full cost of these new play facilities and contribute towards improvements to or provision of public open space.
20. The council will not seek planning obligations unrelated to a proposal or grant planning permission for unacceptable development because of unrelated benefits offered by an applicant. Unrelated or unnecessary planning obligations are not a means to secure planning permission for unacceptable development. Planning obligations are unlikely to overcome fundamental objections and are normally sought to address issues that prevent permission being granted for generally acceptable proposals.
21. DCLG Circular 05/2005, paragraph B9 advises that developers may reasonably be expected to pay for or contribute to the cost of all, or that part of, additional infrastructure provision which would not have been necessary but for their development. The circular also supports the use of pooled contributions and encourages the use of formulae and standard charges. In line with paragraph B21 of DCLG Circular 05/2005, where a number of developments create the need for new infrastructure, the local planning authority will use pooled contributions for this provision. Standard charges will be used to calculate amounts as part of a framework for securing planning contributions. The council will require standard charges for each of education, health, open space, transport and employment and training while other standard charges will be discussed as part of the negotiations for planning

contributions. Where standard charges are to be used the conditions and basis for these calculations will be those set out below in Section 3. The standard charges required and their basis will be monitored and reviewed on a regular basis.

22. In line with paragraph B9 of Circular 05/2005, standard charges will allow obligations to be collected from developments that in themselves would not require new facilities but would contribute to a cumulative effect. A number of smaller developments when taken together may have a considerable effect on existing infrastructure, facilities and services that requires the council to increase provision. Standard charges may be pooled to provide phased delivery of additional provision that addresses the increasing pressures on the local area.
23. In the case of certain facilities and infrastructure, such as off-site highway improvements, the applicant will still, in effect, be able to take advantage of spare capacity. However, as a general principle, the council (in accordance with paragraph B22 of Circular 05/2005) intends to require contributions to be on a standard basis, as a 'contribution' to new services provision as a whole across the Borough and the proposed rates of contributions have been set accordingly.

Pre-application

24. The applicant should fully consider the impacts of the proposed development and any planning obligations to mitigate those impacts prior to submitting a planning application. Policy 3.3 Sustainability Appraisal of the emerging Southwark Plan requires the submission of a sustainability appraisal with planning applications for particular development proposals. This will help to assess the physical, social and economic impacts of the development and the likely required planning contributions. This will be used by the council in assessing the council's position regarding planning contributions and will help to speed up the process of assessment.
25. The council requires applicants to prepare a statement (to be known as a planning obligations statement – see appendix 4) that addresses the issues outlined in this SPD where they are relevant to the particular proposal.
26. The following diagram shows the stages normally carried out during pre-application discussions regarding planning obligations.



Outline Planning Applications

27. Planning obligations are determined for all outline planning applications, and where details are missing (such as the exact number of units) agreement to the formula for standard charges can be established. Outline applications are generally only suitable in certain circumstances, and the council would generally ask for an applicant to submit a full rather than an outline application.

Planning application

28. After pre-application discussion, the following table reflects the planning application process, which will normally be as follows.

Applicant is advised whether a detailed sustainability appraisal, design and access statement, environmental impact analysis and/or transport impact analysis are required with the application. Planning Obligation Statement prepared.

Application submitted and validated.
Council confirms named contact case officer through whom all subsequent discussions and negotiations will be carried out. A Planning Obligation Statement will be required to be submitted as part of the validation of the application

Council assesses whether application reaches one of the planning obligation thresholds or otherwise merits consideration for a planning obligation. Consideration of possible requirements for planning contribution resulting from:

- Sustainability appraisal **see note 1**
- Planning Obligations Statement/Heads of Terms/Unilateral Undertakeing **see note 2**
- Designated area **see note 3**
- Project bank **see note 4**
- Internal consultation within the council
- Other considerations including the results of public consultation and the comments of statutory consultees **see note 5**

The council may require the applicant to provide financial appraisal based on general market assumptions to check whether obligations are supportable by the development.

Council finalises heads of terms of the legal agreement/unilateral undertaking/draft s106 legal agreement. A model s106 legal agreement is available by download from the planning policy section of the Southwark Council website, or from the Legal Department, see contacts in Appendix 3.

If impacts cannot be mitigated by obligations at an appropriate level consider refusal of application for planning permission. Application is recommended for refusal.

If rejected, developer is invited to submit and provide justification for alternative proposals. This may involve open book financial appraisal to demonstrate that the contributions sought are not viable in the context of the proposed development. **See note 6**

Developer and planning officers negotiate to reach an agreement.

If agreement is reached, planning officers proceed to preparation of recommendation to grant planning permission subject to completion of a section 106 legal agreement.

If agreement were not reached planning officers would normally prepare recommendation to refuse planning permission.

Recommendation is received for decision by an officer under delegated powers, by a community council or by the planning committee.

Decision is made with reference to the Southwark Unitary Development Plan and all material considerations including any proposals to enter into a section 106 legal agreement to provide planning obligations.

A decision to grant planning permission would normally be a decision in principle subject to the completion of the section 106 legal agreement.

Appeal
If the applicant is aggrieved by the decision of the LPA, he or she may appeal to the Secretary of State. Unless the Secretary of State agrees to an extension of time, the applicant should give notice of appeal within 3 months of the decision.

Variations
The terms of a planning obligation may not be modified or discharged except by legal agreement between the council and the developer, or, after 5 years, there is a right of appeal to the Secretary of State.

Note 1 – Sustainability appraisal

Under policy 3.3 Sustainability Appraisal of the emerging Southwark Plan (2006) sustainability appraisals, and design and access statements are required for all major developments. The minimum requirement is that the checklist contained in the draft supplementary planning guidance is completed to show the potential environmental, social and economic impacts of the development. This will give an initial indication of the possible matters that may need to be mitigated with the use of planning obligations.

Note 2 – Planning Obligations Statement / Heads of Terms / Unilateral Undertaking

Planning officers will also assess the POS or heads of terms, which should be provided at validation stage. A template POS is attached in appendix 4 of this document.

Note 3 – Designated area

Developments within designated areas are identified in the emerging LDF, and include Opportunity Areas, Action Areas, Town Centres, and Transport Development Areas. Documents within the LDF for these areas include Area Action Plans (AAP's) and SPD's. Reference should be made to the priorities for planning obligations stated in specific planning guidance set out for these areas, such as the adopted SPG for the Elephant and Castle opportunity area. A full list of additional guidance for specific areas is included in the Local Development Scheme (LDS).

Additionally, the council will produce planning and development documents, including planning and development briefs, area regeneration programmes and conservation area character statements, that identify requirements for planning obligations.

Note 4 – Community project banks

Community project banks are compiled by Southwark's community councils in consultation with local communities to identify projects that would improve the environment and facilities in their respective areas. See priorities section for more information.

Note 5 – Other considerations including the results of public consultation and the comments of statutory consultees

The council generally consults widely on planning applications seeking the views of local residents and businesses, local and borough-wide organisations as well as statutory consultees such as English Heritage. Any one of these consultees may identify matters that may be considered as issues for mitigation by the use of planning obligations. In many cases, the consultee will specifically state their view that a planning obligation to achieve a specific end or ends should be sought by the council. Any such representation by a third party will be carefully considered by the council and incorporated into draft agreements where appropriate.

Note 6 – Financial appraisals

Planning obligations can put considerable financial pressures on proposals. Should the applicant consider that a planning obligation cannot be viably supported by the development, the applicant should submit an 'open book' economic appraisal to the council. All information provided to the council would be on a confidential basis. The cost of assessment by the council or its agent of the economic appraisal would be charged to the applicant. A factor when considering planning obligations against the financial viability of a scheme will be the extent to which a proposal meets the objectives of the Local Development Framework and national planning policies.

Consultation

29. Consultation on all planning applications will be carried out in line with the council's Statement of Community Involvement (SCI).
30. Southwark Council carries out the statutory advertising of planning applications including notification by letter to all neighbours, and site notices. Notices are placed in the local press where appropriate. The public can comment on any aspect of a scheme including planning obligations.

Payment of contributions

31. There are two main ways in which the council receives S106 funds: either upon completion of a legal agreement, or via specified "triggers." For certain developments particularly larger developments the council may where appropriate agree payment against specified triggers which can be made upon stipulated events such as:
 - Implementation as defined under the Planning Act
 - Staged payments on agreed dates following implementation
 - Prior to completion of all or a specified phase of the development
 - Prior to occupation of any part of the development
 - Staged payments upon partial occupation.

Each case will need to be reasonably considered on its merits and in relation to the administrative costs to monitor and administer the agreement. Generally, the council will always seek to receive payment of contributions upon completion of a legal agreement (where all parties have executed the agreement and the agreement has been dated), in order that projects to mitigate the impact of a development can be delivered in tandem with the construction of a development site. If funds are payable on specified triggers these funds will only be received if the planning permission is implemented. When a trigger has been reached such as 'implementation' the obligation is on the developer to notify the council that this event has occurred. The applicant should always seek further guidance from the relevant case officer to determine which triggers may be acceptable.

Indexation

32. The cost of standard charges set out in this SPD will be reviewed annually to adjust for build cost inflation. The base date for the charges set out in section 3 will be the date of adoption of the document. A review will be carried out annually on the anniversary of the document adoption date to make a financial adjustment for capital construction costs, particularly in relation to the cost of building a school, health facility, and community facility. Cost inflation will be based on figures released by the Department of Trade and Industry (DTI)¹. Standard charges based on future strategies, such as the Local Implementation Plan, which programmes costs to 2010 and accounts for cost inflation will not require revision.

1 DTI Monthly bulletin of Indices: price adjustment formulae for construction contracts. Data available from <http://www.ecdti.co.uk/cgibin/perlcon.pl>

33. Where S106 charges are not paid on the date of Agreement they will be subject to adjustments for increases in the index of prices by applying the retail price index² to the sum payable so as to allow for the effects of increased costs to implements the necessary actions required under the terms of the S106 Agreement.



² Published by the Office for National Statistics as the All items Retail Price Index excluding mortgage interest (RPIX)

Section 3: What may be included as a planning obligation

34. This section sets out the justification and basis for the calculation of the standard charges, in line with Circular 05/05 to be used by Southwark Council when considering if a proposed development shall be liable for planning obligations. It also explains other obligations, both monetary and non-monetary, that will be considered in relation to the merits of each planning application. This section does not cover all the planning obligations that may be sought. Depending on the merits of each proposed development, other obligations not described in this section may also be required. Further guidance as to what may be included as a planning obligation can be found in paragraphs 13 and 14..
35. The standard charges will be used to indicate the level of planning obligations required to mitigate the respective impacts of a development. They will be used by the council as a basis for negotiations with developers, as encouraged by Circular 05/05, paragraph B33. Developers are encouraged to consider using the standard charges set out below to formulate their planning obligations as an alternative to negotiations unless site-specific conditions dictate otherwise.
36. A one page summary of the issue formula tables set out below can be found in appendix 1, together with a case study of how calculations for development sites can be put together in appendix 2.



Education

The use of a standard charge ensures that a contribution towards the capital cost of providing new school places required as a direct result of a proposed development is related in scale and kind to that development.

Threshold	Policy	Justification	Standard charge formula	Formula sources
<p>10 Units and above. Except:</p> <p>a) Studios and 1 bedroom residential units.</p> <p>b) Housing built specifically for the elderly.</p> <p>c) Affordable housing provided through a planning contribution where the scheme is partially or fully grant-funded.</p>	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> • Policy 4.1 • Policy 2.5 <p>London Plan</p> <ul style="list-style-type: none"> • 3A.15 Protection and enhancement of social infrastructure and community facilities • 3A.21 Education facilities • 3A.2 Borough housing targets • 6A.4 Priorities in planning obligations • 6A.5 Planning obligations <p>Circular 05/2005</p> <ul style="list-style-type: none"> • Para B15 	<ul style="list-style-type: none"> • Without mitigation of the impacts of residential development on the provision of school places within the borough, residential developments will put undue pressure on schools and reduce the ability of the Local Education Authority (LEA) to fulfil its statutory function, which will be unacceptable in planning terms. • Residential developments that increase the number of houses and flats in the borough are likely to result in more children living in Southwark putting increased pressure on school places. • Southwark has published projections for the period 2006-2016³ which demonstrate the borough's schools are under considerable pressure to secure sufficient school places to meet current demand. • It is reasonable that residential developments should make a contribution to the provision of new school places proportionate to the likely child yield of the respective development. • Contributions towards education will be pooled in line with circular 05/05 (paragraph B9), with expenditure on secondary schools borough-wide, and on primary schools within an education planning area or adjacent education planning area (geographically the same as community council areas). 	<p>Standard charges are calculated on a per residential unit basis using estimated child yields and the average cost to the Local Education Authority (LEA) of providing a new school place.</p> <p>Number of each unit size by bedrooms (for 2 bedrooms and above) X (Child yield for that size of unit - number of children aged 0-3⁴ - % not educated in Southwark LEA schools⁵) X (Average cost of providing a new school place⁶ - rebate⁷) = contribution required</p>	<p>Child yield</p> <ul style="list-style-type: none"> • DMAG Briefing Note (GLA)⁸. For private units: 2 bed (0.11), 3 bed (0.42), 4 bed (0.98). For affordable housing units: 2 bed (0.40), 3 bed (1.88), 4 bed (1.9). <p>Average capital cost of school place</p> <ul style="list-style-type: none"> • The DFES⁹ cost multiplier for the capital construction per school place is £12,343 for a primary and £18,859 for a secondary place. An average of these two figures is adjusted to account for the split of primary (70%) of children and secondary (30%). After subtracting the £3600 rebate, the resulting cost is £10,698 per school place.

- 3 Southwark Schools for the Future Programme (2006). Reports available from [www.southwark.gov.uk/Uploads/FILE 22043.pdf](http://www.southwark.gov.uk/Uploads/FILE_22043.pdf) and [www.southwark.gov.uk/Uploads/FILE 22970.pdf](http://www.southwark.gov.uk/Uploads/FILE_22970.pdf)
- 4 Southwark has a statutory duty to provide school places for all 4 to 15 year old children. Using GLA DMAG demographic projection data (2005), it is estimated that by 2016, the percentage of 0-4 year olds in the 0-15 age group will be 30% (note this proportion is also the same for 2006). Available from www.london.gov.uk
- 5 It is likely that not all the children living in new developments will either be educated privately, or be educated in LEA schools in a different borough and the child yield will be reduced by an appropriate percentage. It is considered that 10% is an appropriate level and will be reviewed periodically.
- 6 This figure is adjusted to account for the higher proportion of children attending primary school (70%) versus secondary school (30%).
- 7 Southwark LEA receives partial funding from the DfES "Allocation for Basic Need" to provide each new school places in Southwark. Based on a cost multiplier, this currently equates to £3600 per place.
- 8 GLA Data Management and Analysis Group (DMAG) Briefing on Child Yield (2005) Available from www.london.gov.uk
- 9 DFES Capital construction figures (2006) available from www.teachernet.gov.uk



Employment and enterprise

- The council will seek to secure standard charges for employment and enterprise measures through (1) initiatives to create jobs and training in the final development, and (2) jobs and training during the construction period. Both sets of charges relate to the provision of work place coordinators (WPC)¹⁰ and targeted training.
- The council may also seek to negotiate additional contributions, depending on the context of the site, including: provision of affordable business space, local procurement and supply chain measures¹¹, direct labour agreements, work experience, and relocation assistance for existing businesses¹².
- The contributions can support existing or new programmes carried out by the council, the developer or others as agreed by the council and the developer.

Employment and enterprise 1 (jobs in the final development)

- The council will seek to secure a contribution of the equivalent cost of providing a WPC to assist in the placement of unemployed jobseekers from the local area into jobs within the final development either through an existing WPC programme¹³, or through setting up a new programme to target the employment sector of the final development.

Threshold	Policy	Justification	Standard charge formula	Formula sources
Over 1000sqm of new or improved office / retail floor space	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> • Policy 1.1 • Policy 1.3 • Policy 1.5 • Policy 1.6 <p>London Plan</p> <ul style="list-style-type: none"> • Policy 3B.12 Improving the skills and employment opportunities for Londoners • 6A.4 Priorities in planning obligations • 6A.5 Planning obligations <p>Circular 05/05</p> <ul style="list-style-type: none"> • Para B8 • Para B12 • Para B16 	<ul style="list-style-type: none"> • High levels of unemployment, low incomes and deprivation persist in the borough because of certain barriers to employment that people experience, most notably the lack of skills that are required in the jobs market. • Reducing deprivation is an essential part of developing socially sustainable communities, especially in growing and intensifying communities. • Sourcing local labour, and reducing the need to travel is a fundamental part of creating of sustainable communities. • When development takes place, the LPA will seek to put in place measures to overcome barriers to employment¹⁴ through initiatives such as the provision of training and job brokerage. • The use of standard charges ensures that a contribution towards employment and enterprise is related in scale and kind to the development. 	<p>The contribution to enable unemployed people to access the new jobs created in a proposed development is calculated using the average employee density of the net increase of new or improved gross external floorspace.</p> <p>Gross Floor Area / 14 sq m¹⁵ X 24%¹⁶ = Target for employees resident in Southwark X 35%¹⁷ = employees requiring training and support X Cost of training and support = Contribution required</p>	<p>Cost of training</p> <ul style="list-style-type: none"> • To provide training and support into employment through an existing WPC for one person costs approximately £2,500¹⁸ • The contribution would support the existing WPC programmes in place, with WPCs working across the following sectors: Finance and business, arts and culture, health, tourism and hospitality.

- 10 Workplace co-ordinators are based within key sector industries, such as finance, culture or construction companies. They place unemployed job seekers from the local area into jobs within these industries, and provide pre- and post-employment training and mentoring support.
- 11 See Southwark Council Procurement Strategy.
www.southwark.gov.uk/BusinessCentre/procurement/policyguidance/Policyandguidance.html
- 12 Relocation expenses for businesses displaced by the proposed development may include costs for any subsequent rent increases, and equilibrium payments for the first year following relocation of existing businesses to new premises to cover any increase in rent.
- 13 See Workplace co-ordinator Programme, Cross River Partnership website www.crossriverpartnership.org/page.asp?id=1345
- 14 The council's approach to increasing employment opportunities is set out in its Employment and Enterprise Strategies, available from www.southwarkalliance.org.uk
- 15 Average employee density for office accommodation. Data from the London Office Policy Review (2004) Available from www.london.gov.uk
- 16 In all sectors of the economy, the average number of Southwark jobs occupied by Southwark residents is 24%. Data from Census 2001.
- 17 This is based on the figure of 65% of Southwark's working age population being in work. Of the expected 24% of new jobs occupied by Southwark residents, it can be reasonably expected that 35% of these will be occupied by people previously not in work and who will require training and support into these jobs. Data from Southwark Council's Employment Strategy (June 2006). See http://www.southwark.gov.uk/Uploads/FILE_22421.pdf
- 18 This figure is based on recent projects carried out by the London Borough of Southwark.



Employment and enterprise 2 (jobs during construction period)

The council will seek to secure a contribution to assist in the placement of unemployed jobseekers from the local area into jobs within the construction phase of a development, through one of the following options, which are available to developers:

- a) The developer may provide a construction WPC based within the company and arrange the required training;
- b) The developer may make a payment to the council of the equivalent cost to provide a construction WPC that the council will then deliver;
- c) Where a development does not warrant a full construction WPC, a proportionate payment will be sought by the council that will be used with other developer payments to fund construction WPCs and other employment and enterprise initiatives directly related to the construction jobs available in the development phase of these schemes.

Threshold	Policy	Justification	Standard charge formula	Formula sources
For schemes providing 1000sqm or more of new or improved office / retail floor space, and residential schemes of 10 or more units, contributions for construction WPC's and targeted job training will be sought.	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> • Policy 1.1 • Policy 1.3 • Policy 1.5 • Policy 1.6 <p>London Plan</p> <ul style="list-style-type: none"> • Policy 3B.12 <p>Improving the skills and employment opportunities for Londoners</p> <ul style="list-style-type: none"> • 6A.4 Priorities in planning obligations • 6A.5 Planning obligations <p>Circular 05/05</p> <ul style="list-style-type: none"> • Para B8 • Para B12 • Para B16 	<ul style="list-style-type: none"> • High levels of unemployment, low incomes and deprivation persist in the borough because of certain barriers to employment that people experience, most notably the lack of skills that are required in the jobs market. • Reducing deprivation is an essential part of developing socially sustainable communities, especially in growing and intensifying communities. • Sourcing local labour, and reducing the need to travel is a fundamental part of creating of sustainable communities. • When development takes place, the LPA will seek to put in place measures to overcome barriers to employment¹⁹ through initiatives such as the provision of training and job brokerage. • The use of standard charges ensures that a contribution towards employment and enterprise is related in scale and kind to the development. 	<ul style="list-style-type: none"> • One full construction WPC post is required for commercial schemes of 7,500 sqm or more and residential developments of 160 units or more²⁰. • For developments of a size below the threshold, a contribution will be made to the costs of running a construction WPC in proportion to the size of the development. • For developments at or above the threshold, contribution to one or more construction WPCs will be negotiated between the developer and the council's economic development team²¹ <p>Size of development as a % of WPC threshold size X Cost of training and support = Contribution required</p>	<p>Cost of training</p> <ul style="list-style-type: none"> • This calculation is based on the typical cost of employing a construction WPC (including employment costs, training budget, and promotion budget) of £71,675 per annum. • One construction WPC costing £71,675 would achieve the following outcomes over one year: 35 people into jobs, 35 people receiving training, 15 NVQ qualifications, 15 short courses, and 35 CSCS (Construction site certification scheme) cards²².

- 19 The council's approach to increasing employment opportunities is set out in its Employment and Enterprise Strategies, available from www.southwarkalliance.org.uk
- 20 This is based on this threshold of development creating 350 jobs, 10% of which would be sourced locally by a WPC. Data from the Building Research Establishment (BRE).
- 21 For mixed-use developments the threshold will have been met when the percentage of the threshold figures set for residential and commercial space, when aggregated, comes to 100% or more. For example a development of 3000 sqm commercial space and 100 residential units is 40% of the commercial threshold and 63% of the residential threshold; aggregated these figures give 103%, therefore the development would come above the threshold
- 22 Performance data from the Building London Creating futures programme.
See <http://www.crossriverpartnership.org/page.asp?id=1369>



Public open space, childrens' play equipment, and sports development

The council will require planning obligations to ensure sufficient provision of high quality open space and associated facilities. It is necessary to ensure that additional pressure on existing facilities is mitigated through either up-grading the quality and intensification of use of existing resources, or providing new additional public open space and associated facilities.

Threshold	Policy	Justification	Standard charge formula	Formula sources
<ul style="list-style-type: none"> • 10 units and above • All retail and office developments resulting in a net increase in floor area will be required to contribute towards open space and sports development. • In areas of district park deficiency, the council will seek to secure additional contributions towards open space provision. 	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> • Policy 3.1 • Policy 3.2 • Policy 3.10 • Policy 3.25 • Policy 3.26 • Policy 3.27 <p>London plan</p> <ul style="list-style-type: none"> • Policy 3D.7 Realising the value of open space. • Policy 3D.10 Open Space Provision in UDP's • Policy 3D.11 Open Space Strategies • 6A.4 Priorities in planning obligations • 6A.5 Planning obligations <p>Circular 05/05</p> <ul style="list-style-type: none"> • Para B15 	<ul style="list-style-type: none"> • The use of standard charges ensures that a contribution towards public open space, children's play equipment and sports facilities creates efficient and more intense use of land to achieve livable and sustainable neighbourhoods. • As all residential and commercial developments have the potential to contribute to the increasing pressure on existing public open space and recreational facilities it is reasonable that all these developments provide public open space or contribute to that provision. • To maintain the current borough-wide level of provision of 2 ha per 1,000 population with the expected increase of 60,000 people in 29,000 dwellings by 2016 will require an additional 180 ha of open space. Planning contributions will be used to create additional open space, or up-grade the quality of existing resources. • Where limited opportunities exist to create or refurbish open space, alternative types of open space such as Home Zones, or public squares will be encouraged. 	<p>Public open space</p> <p>Number of residential units X Average occupancy rates X Open Space amount = contribution required</p> <p>OR</p> <p>Net Increase in commercial floorspace X Average employee density X Open Space amount = contribution required</p> <p>Childrens' play equipment</p> <p>Number of residential units X average occupancy rates X Children's play amount = contribution required</p> <p>Sports development</p> <p>Number of residential units X average occupancy rates X sports development amount = contribution required</p> <p>OR</p> <p>New gross commercial floorspace / Average employee density X sports development amount = contribution required</p>	<p>Occupancy rates</p> <ul style="list-style-type: none"> • Residential (all persons per unit²³) 1 bed (1.4), 2 bed (2), 3 bed (2.8), 4 bed (3.5), Office (1 employee per 14sqm), retail (one employee per sqm = 20²⁴) <p>Open space amount</p> <ul style="list-style-type: none"> • Investment equal to £107 per person²⁵ • Additional £107 per person in areas of district park deficiency <p>Childrens' play equipment</p> <ul style="list-style-type: none"> • Contribution to childrens' play equipment of £75 per person for all units (excluding 1 bed units)²⁶ <p>Sports development</p> <ul style="list-style-type: none"> • Contribution to sports development of £327 per person²¹

- 23 Average residential occupancies from GLA analysis of the London Household Survey 2005
- 24 London Office Policy Review (2004) Available from www.london.gov.uk and English Partnerships Employee Density Guide available from www.englishpartnerships.co.uk
- 25 Data supplied by Southwark Parks Department. From 1999 to 2009 Southwark Parks estimate that approximately £25,000,000 will have been invested in improvements to public parks, sports and recreation facilities to cater to the needs of the existing population. At this level of funding Southwark will invest from 2005 to 2016 £27,500,000 in parks to provide for the existing population. Taking the existing population at 251,300, this results in investment equal to £107 per person. The standard charge amount per person for areas of district park deficiency will be the same as the open space amount.
- 26 NPFA recommends a minimum of outdoor space for children's play of 0.8ha per 1000 population. Recent projects by the council to increase play facilities or the capacity of existing facilities have cost equivalent to £75 per person. Note, it is also possible for play equipment to be installed by an applicant through a s278 agreement of the Highways Act 1980.
- 27 National Playing Fields Association standard is 1.21 ha playing fields (3 acres)/1000 population. Recent projects by the council to increase play facilities or the capacity of existing facilities have cost equivalent to £327 per person.



Transport

- The council will seek to secure contributions for transport measures through (1) Strategic contributions to *increase the capacity of public transport* provision across the borough, through the delivery of the Local Implementation Plan. (2) Site specific initiatives and complimentary measures to promote *improved access* to a new development, by delivering, for example new pedestrian crossings, cycleways, and car clubs.
- Note that travel plans will be required for all applications to demonstrate how impacts will be overcome.

Transport 1 (strategic transport contributions)

Strategic contributions to increase the capacity of transport provision across the borough, as outlined in the Local Implementation Plan (LIP), include: facilitation of major public transport infrastructure projects²⁸, bus network improvements, road safety education, training and publicity (ETP), extension and improvement of the strategic cycle network, travel awareness publicity and events, continuing development of the freight quality partnership, road safety and speed reduction environmental measures – including local safety schemes and other environmental initiatives such as home zones, walking and cycling infrastructure improvements, Interchange accessibility improvements, controlled parking zones. Contributions to strategic transport will be pooled in line with paragraph 21 of DCLG Circular 05/2005, for expenditure on the programme of projects set out in the LIP.



Threshold	Policy	Justification	Standard charge formula	Formula sources
<ul style="list-style-type: none"> • 10 units or more residential units. • All other developments resulting in a net increase of gross external floor area will be required to contribute 	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> • Policy 5.1 • Policy 5.2 • Policy 5.3 • Policy 5.4 • Policy 5.5 • Policy 5.6 <p>London plan</p> <ul style="list-style-type: none"> • 3C.1 Integrating transport and development • 3C.3 Sustainable transport in London • 3C.16 Tackling congestion and reducing traffic • 3C.17 Allocation of street space • 3C.20 Improving walking conditions • 3C.21 Improving conditions for cycling • 6A.4 Priorities in planning obligations • 6A.5 Planning obligations 	<ul style="list-style-type: none"> • Growth in the resident, worker and visitor population of Southwark requires a programme of projects to improve the quality and increase the capacity of transport services. • Delivery of the strategic transport projects outlined above will be provided through the vehicle of the Local Implementation Plan (LIP). • The LIP outlines programmes of transport projects, which will be essential to provide for appropriate infrastructure to cater for the proposed increases in residential population and employment in the borough over the next ten years. • The LIP includes costs to cover investigative works and feasibility studies to support the delivery of major projects such as the Cross River Tram. • For all programmes and specific projects, the LIP provides estimates for funding and will specify the likely sources for that funding. This includes the expected contribution from developers, based on the demand from expected new development. 	<p>The pro-rata per person contribution of this expected new development to the total amount of pooled strategic transport investment required to deliver the LIP can be calculated at follows:</p> <p>Number of residential units x Average occupancy rates x strategic contribution amount = contribution required OR Net increase in commercial floorspace x Average employee density x strategic contribution amount = contribution required</p>	<p>Cost of strategic contribution</p> <ul style="list-style-type: none"> • Contribution of £212 per person²⁹ <p>Occupancy rates</p> <ul style="list-style-type: none"> • Residential (all persons per unit³⁰) 1 bed (1.4), 2 bed (2), 3 bed (2.8), 4 bed (3.5), Office (1 employee per 14sqm), retail (one employee per sqm = 20³¹)

28 The major public transport infrastructure required in Southwark include the Cross River Tram (CRT), the East London Line (ELL) extensions (Phases 1 and 2) and Thameslink 2000. Most of this investment is likely to be provided by central government, through Transport for London (TfL) or other funding sources however, in order to secure this major investment, the onus will partially be with Southwark to facilitate the processes and contribute to complementary measures. See www.tfl.gov.uk

29 Based on the cost of delivering the transport programmes in the LIP investment plan, See <http://www.southwark.gov.uk/YourServices/transport/lip/>

30 Average residential occupancies from GLA analysis of the London Household Survey 2005.

31 London Office Policy Review (2004) Available from www.london.gov.uk and English Partnerships Employee Density Guide available from www.englishpartnerships.co.uk

Transport 2 (site specific contributions)

- Contributions to infrastructure improvements, such as pedestrian crossings, cycleways and traffic calming.
- Contributions to sustainable transport complimentary measures, such as car clubs and local travel plan groups
- For large major developments, additional contributions to major infrastructure improvements not identified below may be sought to support the public transport network, such as a bus station or taxi rank.

Threshold	Policy	Justification	Standard charge formula	Formula sources
<ul style="list-style-type: none"> • 10 units or more residential units • All other developments resulting in a net increase of gross external floor area will be required to contribute. 	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> • Policy 5.1 • Policy 5.2 • Policy 5.3 • Policy 5.4 • Policy 5.5 • Policy 5.6 <p>London Plan</p> <ul style="list-style-type: none"> • 3C.1 Integrating transport and development • 3C.3 Sustainable transport in London • 3C.16 Tackling congestion and reducing traffic • 3C.17 Allocation of street space • 3C.20 Improving conditions for walking • 3C.21 Improving conditions for cycling 	<ul style="list-style-type: none"> • In addition to the strategic and local initiatives discussed above, it is recognised that many new developments will have transport impacts that will not be mitigated by the programmes of work and projects that have been identified in the LIP. Accordingly, it will be necessary to consider these impacts at the planning application stage and determine the appropriate contribution required from the applicant. 	<ul style="list-style-type: none"> • It is not possible to create a formula for site specific transport items. The planning officer will calculate the charge based on a list of items, for which the costs are regularly updated to reflect changes in build costs. • Item based calculation for the following: Pedestrian crossings - Pelican, Pedestrian crossings - Toucan, Pedestrian crossings - Zebra, Upgrade Pelican to Toucan, Traffic calming, Flat top hump, Traffic calming - round hump, Traffic calming - 3 cushions, Widening footway over road, Widening highway over footway, Securing land for footway/cycleway, Road gully, Junction/traffic lights works, Illuminated traffic sign, Bollard, Street lighting column, Install cycleway on road, Install cycleway on verge, Cycle stands, Fully accessible parking bay, and permit restricted developments • Car club initiatives, and local travel plan groups. 	<ul style="list-style-type: none"> • N/a



Public realm

Contributions will be sought to mitigate the impact on the public realm in the vicinity of a development, through either:

- 1) Commitment by the applicant to carry out a schedule of works under a s278 agreement of the Highway Act 1980. An agreed list of works should be detailed in the s106 agreement, with an outline scope of works attached.
- 2) A contribution to works to be carried out by councils' contractors

Where appropriate, works to a development's environs include: footpaths and carriageways, street lighting, tree planting, green chains, urban parks, surrounding footways and streetscape, maintenance payments, community safety initiatives, public art, landscaping and wildlife habitats; and other as required.

Threshold	Policy	Justification	Standard charge formula	Formula sources
<ul style="list-style-type: none"> • 10 units or more residential units • All other developments resulting in a net increase of gross external floor area will be required to contribute. 	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> • Policy 2.5 • Policy 3.1 • Policy 3.13 • Policy 3.14 • Policy 5.2 • Policy 5.4 <p>London plan</p> <ul style="list-style-type: none"> • Policy 3D.7 Realising the value of open space. • Policy 4B.1 – Design principles for a Compact City • Policy 4B.4 – Enhancing the quality of the public realm • Policy 4B.5 – Creating an inclusive environment • 6A.4 Priorities in planning obligations • 6A.5 Planning obligations 	<ul style="list-style-type: none"> • The public realm is an important aspect of any development, and ensures that a building or set of buildings is integrated into the existing built fabric and street scene. • All developments that have a significant impact on the public realm shall be expected to contribute towards good urban design • All developments should seek to design out crime and contribute to community safety initiatives. 	<ul style="list-style-type: none"> • It is not possible to create a formula for public realm improvements. The planning officer will calculate the charge based on a list of items, for which the costs are regularly updated to reflect changes in build costs. • Site specific contributions for Carriageway surfacing, Footway paving materials and laying, Seating, Bins, Bollards, Street lighting, Cycle stands, Tree planting, Signage, Public art, Landscape planting. Wildlife mitigation measures. 	N/A



Archaeology

Planning obligations to support the council's effective monitoring of archaeological matters will ensure that this valuable resource is properly managed and preserved. A contribution will be calculated for developments on the basis of the likely officer time required to carry out the following tasks that have been identified in the three main stages of ensuring the management of the borough's archaeological assets.

- a) Desk-based assessment (DBA)
- b) Archaeological evaluation
- c) Archaeological excavation

Threshold	Policy	Justification	Standard charge formula	Formula sources
<ul style="list-style-type: none"> All developments within the archaeological priority zone requiring archaeological assessment and evaluation and/or excavations will be required to make a financial contribution towards the Local Planning Authority's monitoring and supervisory role. 	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> Policy 3.19 	<ul style="list-style-type: none"> Given its historical setting, Southwark has an immensely important archaeological resource. Planning contributions will be sought to support the council's effective monitoring of archaeological matters will ensure that this valuable resources is properly managed and preserved. 	<ul style="list-style-type: none"> The contributions will be calculated for developments on the basis of the likely officer time required to carry out the following tasks <p>Up to 1000sqm: £900 (DBA and evaluation)* + £1350 (excavation)**</p> <p>1000-5000sqm: £1800 (DBA and evaluation)* + £2700 (excavation)**</p> <p>5000-10000sqm: £3600 (DBA and evaluation)* + £5400 (excavation)**</p> <p>10000sqm+: £4600 (DBA and evaluation)* + £8900 (excavation)**</p> <p>* Based on a 2 week archaeological evaluation, with average 4 monitoring visits. **Based on archaeological excavation of 6 weeks duration. In the case of excavation, additional weeks over 6 charged at £450 per week.</p>	<ul style="list-style-type: none"> These charges are not fixed as it is recognised that individual site circumstances will have a bearing on costs. Consultation between the Development Control Business Unit /Team management, planning case officer and archaeology officer may result in a variation in certain circumstances.

Health

The use of a standard charge ensures that a contribution towards new health facilities required as a direct result of a proposed development is related in scale and kind to that development. As all residential developments have the potential to contribute to the increase of health facilities required, it is reasonable that all residential developments contribute to that provision.

Threshold	Policy	Justification	Standard charge formula	Formula sources
<ul style="list-style-type: none"> Residential schemes 10 units and above 	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> Policy 2.5 Policy 4.1 <p>London plan</p> <ul style="list-style-type: none"> 3A.15 Protection and enhancement of social infrastructure and community facilities 3A.2 Borough housing targets 6A.4 Priorities in planning obligations 6A.5 Planning obligations <p>Circular 05/05</p> <ul style="list-style-type: none"> Para B15 	<ul style="list-style-type: none"> Without mitigation of the impacts of residential development on the provision of healthcare within the borough, residential developments will put undue pressure on primary healthcare provision, and reduce the ability of the Primary Care Trust (PCT) to fulfill its statutory function, which will be unacceptable in planning terms. Southwark Council will seek advice from Southwark PCT to establish areas of the borough where the existing health care facilities are unable to cater for more patients or users or this situation is forecast within five years of the planning application. Where resources Borough-wide are at capacity or predicted to be so within five years all residential developments (Use Class C3 Dwelling houses), including conversions and within mixed use schemes, producing a net increase of ten or more residential units will be required to contribute to the provision of health facilities. Contributions will be pooled over time and when appropriate, a new facility provided. This facility may be provided on or off site as available or through expansion of existing facilities. Where a developer can provide a new facility on site, this cost can be put against their calculated contribution for health facilities and any deficit met from the appropriate pool of funding. 	<p>Where the “local list size” of a local GP health centre is predicted to exceed capacity as a result of a development, contributions for the construction of new health facilities will be calculated by using the HUDU planning contributions model developed by the NHS London Healthy Urban Development Unit (HUDU).</p> <p>Number of units X average capital cost of constructing a new GP facility = contribution required</p>	<ul style="list-style-type: none"> Southwark PCT will advise if the projected local list size of a health centre as a result of a development proposal exceeds current capacity. Based on the annual London Plan growth targets, the HUDU model determines that the average capital cost of constructing new health facilities across Southwark is £901 per unit³². <p>Occupancy rates</p> <ul style="list-style-type: none"> Residential (all persons per unit³³) 1 bed (1.4), 2 bed (2), 3 bed (2.8), 4 bed (3.5).

32 Based on a population growth of 29,530 to 2016, an additional 1477 units will be delivered per annum, of which 738 will be one bedroom or studio flats, 591 will be 2 bed units and 148 will be 3 or 4 bed units

33 Average residential occupancies from GLA analysis of the London Household Survey 2005.

Other community facilities

The use of a standard charge ensures that a contribution towards new community facilities required as a direct result of a proposed development is related in scale and kind to that development. As all residential, and some commercial developments have the potential to contribute to the increased pressure on other community facilities, it is reasonable that all these developments contribute to that provision.

THRESHOLD	POLICY	JUSTIFICATION	STANDARD CHARGE FORMULA	FORMULA SOURCES
<ul style="list-style-type: none"> • 10 units and above and commercial schemes greater than 1000sqm (Where the existing community facilities are unable to accommodate more users, as this would result in more users than an acceptable standard, or this situation is forecast within five years of the planning application) 	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> • Policy 2.5 • Policy 4.1 <p>London Plan</p> <ul style="list-style-type: none"> • 3A.15 Protection and enhancement of social infrastructure and community facilities • 3A.2 Borough housing targets • 6A.4 Priorities in planning obligations • 6A.5 Planning obligations <p>Circular 05/05</p> <ul style="list-style-type: none"> • Para B15 	<p>Residential, and in some cases, commercial developments that result in more people living and working in the borough will result in increased pressure on not only education and health facilities but other community facilities such as libraries, community centres, meeting halls, leisure facilities, childcare and cultural facilities. Both large and small developments contribute to the cumulative effect of this increased pressure. Where existing facilities are unable to accommodate this increased pressure contributions will be sought proportionate to the likely increased pressure caused by the respective development.</p>	<p>The contribution sought from residential developments will be calculated using average household size:</p> <p>Number of units X average household size X average capital cost of constructing a new community facility = contribution required</p>	<p>Capital cost</p> <ul style="list-style-type: none"> • The community facilities charge is based on the cost of providing community facilities at the existing level. For library accommodation this is calculated borough wide. Current provision is approximately 34 sq m per 1000 population with current capital costs to build a community facility at approximately £2,000 per sq m. This equates to £68 per person (34 sqm x 2000sqm / 1000 people = £68) • For community centres and childcare this will be calculated at a local level with current prices.



Administration charge

The appointment by the council of a planning obligations officer ensures a consistent and efficient approach to the use of planning contributions and speeds up any developer negotiations required to reach agreement. This charge excludes all legal costs associated with the preparation of s106 agreements.

Threshold	Policy	Justification	Standard charge formula	Formula sources
<ul style="list-style-type: none"> All s106 agreements 	<p>LDF (Modifications Plan)</p> <ul style="list-style-type: none"> Policy 2.5 <p>London Plan</p> <ul style="list-style-type: none"> 6A.4 Priorities in planning obligations 6A.5 Planning obligations 	<p>The monitoring and administration of section 106 agreements is an impact of a development, one which the council would not have to bear if the development were not to take place</p>	<p>2% first £3m of monetary contributions to be provided under s106 agreement, 1% of monetary contributions to be provided under s106 agreement on remainder.</p>	<p>N/a</p>

Housing

All schemes of 10 units or more must contribute to the provision of affordable housing. The table below provides a summary of methodology set out in Affordable Housing SPG.

Threshold	Policy	Justification	Standard charge formula	Formula sources
<ul style="list-style-type: none"> 10 Units and above 	<p>Affordable housing SPG</p> <ul style="list-style-type: none"> Refer to whole document LDF (Modifications Plan): Policy 4.2 Quality of residential accommodation Policy 4.4 Affordable housing Policy 4.5 Wheelchair affordable housing Appendix 7, Table 7.3. <p>London Plan</p> <ul style="list-style-type: none"> Policy 3A.7 Affordable housing targets. Policy 3A.8 Negotiating affordable housing <p>Circular 6/98</p> <ul style="list-style-type: none"> Paragraphs 9, 12, 13, 15-24, 27-29, 33 and 34. 	<p>A continuous supply of affordable housing is needed to meet the needs of the borough. The most up-to date Housing Needs Survey demonstrates that there is a annual shortfall of about 1,900 affordable homes every year. This exceeds the overall housing target for the borough and represents a significant and serious shortfall that must be addressed. This will be done through securing the highest level of affordable housing from the maximum number of developments whilst ensuring the viability of housing development throughout Southwark.</p>	<ul style="list-style-type: none"> If the scheme has 15 or more units, the developer should provide at least 35% of all habitable rooms as affordable housing on site, except in the Central Activities Zone (excluding the Elephant and Castle Opportunity Area) where provision should be at least 40%. Within the affordable housing element, there should be a 70:30 social rented : intermediate tenure ratio except where otherwise stated for local policy areas³³ In certain circumstances, an "in lieu" payment may be made to the council to provide affordable housing off-site, at a rate of £45,735 per habitable room for all schemes of 15 units or more If the scheme is between 10 – 14 units, an in-lieu payment of £35,384 per habitable room is charged equivalent to the provision of affordable units as follows: 10 units = 1 unit, 11 units = 2 units, 12 units = 3 units, 13 units= 4 units, 14 units = 5 units 	<p>See the Affordable Housing SPG for methodology³⁴.</p>

33 Elephant & Castle Opportunity Area 50% social rented: 50% intermediate, Peckham Action Area 30% social rented: 70% intermediate, Old Kent Road Action Area 50% social rented: 50% intermediate, West Camberwell Action Area 50% social rented: 50% intermediate, Camberwell Action Area 50% social rented 50% intermediate

34 Affordable Housing SPG for methodology, see http://www.southwark.gov.uk/Uploads/FILE_10595.pdf

Section 4: Priorities

Priorities

37. The borough-wide priorities regarding planning obligations acknowledge the London Plan's priorities as stated in Policy 6A.4 which considers affordable housing and transport as being generally of the "highest importance", with learning and skills, health facilities and childcare provisions being given additional priority.
38. Development within designated areas identified in the emerging LDF and/or Southwark Plan, including Opportunity and Transport Development Areas may be subject to different requirements. For example within the Elephant and Castle core area (site 43P) developments will generally be expected to be compatible with the proposed Multi-Utility Services Company proposed by the council as part of the comprehensive regeneration scheme; and developments which include commercial floorspace will generally be expected to contribute to the economic continuity of the area by making some or all of it available to existing businesses within the Elephant and Castle shopping centre for a time limited period and to include some affordable business space.
39. Local priorities will also be considered due to the specific needs of each area. For example, the northwest corner of the borough is deficient in district parks and particular attention must be paid to the impact of development on existing open space.

Community Involvement

40. Circular 05/2005 Planning Obligations sets out the Government's policy for planning obligations. Paragraph B41 states that: "The process of setting planning obligations policies and negotiating planning obligations should be conducted as openly, fairly and reasonably as possible and members of the public should be given every reasonable assistance in locating and examining proposed and agreed planning obligations which are of interest to them."
41. Local priorities for each of the community council areas have been collated. Community councils present forums for determining local area priorities, with democratic constitutions and regular community meetings administered by council officers involving the determination of planning applications. The community council areas are also identical to the education planning areas for the Borough. These areas are illustrated below. Planning negotiations will be aiming to focus on achieving the following top five priorities for each area. However this is not an exclusive list and other priorities may be appropriate for certain applications.



Community council	Priorities
Bankside And Borough	<ol style="list-style-type: none"> 1. Increasing the quality and quantity of open spaces 2. Improving public transport, cycling and walking facilities 3. Increasing access to employment through training and other schemes 4. Reducing crime and improving community safety 5. Encouraging provision of waste reduction and recycling facilities
Walworth	<ol style="list-style-type: none"> 1. Increasing the quality and quantity of open spaces 2. Improving community safety 3. Increasing access to employment through training and other scheme 4. Improving access to high quality education in schools 5. Increasing the quality and quantity of community facilities
Bermondsey	<ol style="list-style-type: none"> 1. Increasing the quality and quantity of open spaces 2. Increasing the quality and quantity of community facilities 3. High quality of learning (schools and other channels) 4. Traffic/transport improvements 5. Improve town centre environment and retail offer
Rotherhithe	<ol style="list-style-type: none"> 1. Increasing the quality and quantity of open spaces 2. Increasing the quality and quantity of community facilities 3. High quality of learning (schools and other channels) 4. Traffic/transport improvements 5. Improve town centre environment and retail offer
Peckham	<ol style="list-style-type: none"> 1. Traffic/transport improvements 2. Improve housing repairs and estate safety and lighting 3. Measures to decrease youth anti-social behaviour 4. Increasing the quality and quantity of open spaces 5. Increasing the quality and quantity of leisure facilities
Peckham Rye and Nunhead	<ol style="list-style-type: none"> 1. Reduce traffic and congestion on Rye Lane 2. Improve retail frontages 3. Improve the environs of the station 4. Reduce opportunities for fly-tipping 5. Increase recycling
Dulwich	<ol style="list-style-type: none"> 1. Traffic/transport improvements 2. Reducing crime and improving community safety 3. Increased availability of primary school places 4. Public transport improvements in the south of the community council area 5. Increased provision/facilities for young people
Camberwell	<ol style="list-style-type: none"> 1. Increased provision/facilities for young people 2. Increasing the quality and quantity of leisure facilities 3. Traffic/transport improvements 4. Support for BAME businesses 5. Reducing crime and improving community safety

Community project banks

42. The council will consult local communities on priorities for their areas and will compile lists of projects. These lists will be called community project banks (CPB's), and will be revised regularly as projects are delivered, and priorities change.
43. The council will consider which projects contained in the community project banks may be appropriate for section 106 funding so as to mitigate the effects of the proposal being considered. It is possible that some projects in a project bank will be inappropriate for the mitigation of the effects of any development and, if they are to be implemented, will have to be funded by other means.
44. The council will use community project banks to identify any potential projects to address the impacts of the development on the area. This will inform negotiations with developers for planning obligations to ensure any existing problems or concerns are not exacerbated by a proposal being carried out. For example, if a proposed housing development lacks provision of children's play equipment; the community project bank could assist in identifying improvements to local parks that would mitigate the added pressure on existing facilities.



Section 5: Policy background

Central government

45. The Town and Country Planning Act 1990 as amended by the Planning and Compensation Act 1991 provides measures within section 106 that allow developers to enter into a planning obligation to provide services and facilities connected with the proposed development. This is normally carried out through negotiation between the developer and the local planning authority. The developer also has the option of offering a unilateral undertaking although this is normally only seen occasionally at appeal.
46. The Planning and Compulsory Purchase Act 2004 includes replacement clauses for the existing section 106, section 106A and section 106B of the Town and Country Planning Act 1990 that provides the statutory basis to introduce new mechanisms which may be confirmed by regulations or statutory instruments. The new clauses provide for the Secretary of State to make regulations allowing a planning contribution to be sought through negotiation, as the current situation exists, through a set of standard charges set out by the local planning authority or a combination of these two approaches. This newly proposed mechanism would offer developers the means to make contributions towards services and facilities related to their proposed development without the need to negotiate with the local planning authority. Local planning authorities would set out amounts to be payable by a developer as an alternative to some or all of the negotiated contributions which are currently required. The final details of the new regulations and how they will affect planning contributions are yet to be confirmed, as is the timing of when they will be introduced, while the Planning Gain Supplement proposals are reviewed.
47. The 2004 Act proposed the introduction of locally determined tariffs to be known as “planning contributions” to supplement traditional planning obligations. Extensive further regulations will need to be introduced before this system can come into effect. Current indications from Government suggest that this is not likely to happen at least in the short to medium term. The statutory basis for planning obligations remains unchanged.
48. Circular 05/2005 Planning Obligations sets out the Governments policy for planning obligations. Paragraph B1 states that; “the principal objective of the planning system is to deliver sustainable development, through which key Government social, environmental and economic objectives are achieved. The delivery of these goals is provided for in a framework of development documents, in which local communities are positively involved, and through a transparent system of decision-making on individual applications.”

49. Circular 05/05 provides advice on how local planning authorities and developers should proceed when seeking and negotiating section 106 planning contributions. Paragraph B5 states that planning obligations should only be sought where they meet all of the following tests:
- i. relevant to planning
 - ii. necessary to make the proposed development acceptable in planning terms
 - iii. directly related to the proposed development
 - iv. fairly and reasonably related in scale and kind to the proposed development
 - v. reasonable in all other respects.
50. Circular 05/2005 (paragraph B6) advises that all discussions are carried out in accordance with the fundamental principle that planning permission may not be bought or sold. Unacceptable development should not be permitted because of benefits or inducements offered by a developer which are not necessary to make the development acceptable in planning terms.

Mayor of London, London Plan

51. The London Plan policies regarding planning contributions are

Policy 6A.4 Priorities in planning contributions

“The Mayor will, and boroughs should, reflect the policies of this plan and include appropriate strategic as well as local needs in their policies for planning contributions. The Mayor wishes to develop with boroughs a voluntary system of pooling for the provision of facilities related to proposed developments. Affordable housing and public transport improvements should generally be given the highest importance with priority also given to learning and skills and health facilities and services and childcare provisions. The Mayor when considering planning applications of potential strategic importance will take into account, among other issues, the content and existence of planning contributions.”

Policy 6A.5 Planning contributions

“Boroughs should set out a clear framework for negotiations on planning contributions in UDPs having regard to Central Government policy and guidance and local and strategic considerations (see Policy 6A.4) to the effect that:

It will be a material consideration whether a development makes appropriate provision for, or contribution towards requirements that are made necessary by and are related to, the proposed development

Negotiations should seek a contribution towards the full cost of all such provision that is fairly and reasonably related in scale and in kind to the proposed development and its impact on the wider area

Boroughs should refer to planning contributions that will be sought in the relevant parts of the UDP (such as transport and housing policies).”

Southwark UDP (adopted 1995)

52. The Southwark UDP sets out the council's planning policy requirements for seeking planning contributions.

53. **Planning Agreements Policy R.2.2**, says;

"Where the council considers it appropriate it will seek to enter into planning agreements with applicants, to assist in securing the best use of land, a properly planned environment, and the implementation of plan policy, with any planning permission granted. The range of potential matters for agreement should be related to the scale of development and might include the following:

- (i) improvement of the public transport system, particularly at stations, interchanges and termini, when the proposal will generate journeys to work using these facilities
- (ii) provision of special benefits in the form of buildings, open space, play space, pedestrian access and other facilities for the use of the public, related to the development itself or the pedestrian movements which are generated or attracted
- (iii) improvement to the environment to compensate for disbenefit caused by the development;
- (iv) redevelopment of areas of poor layout or design
- (v) conservation of buildings or places of historic or architectural interest
- (vi) carrying out archaeological investigation and excavations, and preserving, recording and publishing the results
- (vii) conservation, creation and enhancement of areas of plant and wildlife habitat
- (viii) the provision of on-site and off-site recreational facilities related to the development
- (ix) in the case of small developments, a contribution to nearby sport and recreation or open space provision
- (x) alternative provision when recreational land or open space is lost
- (xi) securing the complete implementation of mixed developments
- (xii) provision of small suites of offices, business units or workshops available on a rental basis
- (xiii) provision of industrial sites or units for rent to firms which may be displaced by the proposal
- (xiv) improvement of vehicular, pedestrian and cyclist access to the site
- (xv) provision of affordable housing in conjunction with the development
- (xvi) restricting the occupation of affordable housing to people falling within particular categories of need
- (xvii) the construction, improvement, adoption or repair of housing for persons nominated by the council or to meet the requirements of people with special housing needs
- (xviii) provision of education and training projects which will better equip the local labour force to provide skills for jobs likely to be available on the site
- (xix) the provision of childcare and other indoor community facilities related to the development
- (xx) recycling installations for products used or traded by occupants of the development, e.g. paper, cans, bottles
- (xxi) any other matter related to the site which would overcome a planning objection or objections to the development.

When considering the materiality of any planning contribution made or offered under the Town and Country Planning Act 1990, or any other act, the council will have regard to the practicality of enforcing the contribution and/or the likelihood of the contribution being performed."

Emerging Southwark Plan (Modifications Plan, 2006)

54. At its meeting on 29th June 2006 the council resolved to adopt the modifications to the Southwark Plan for the purposes of consultation. Therefore apart from a small number of exceptions, the policies in the Southwark Plan now have significant weight in the determining of planning applications. Whilst the 1995 Unitary Development Plan remains the statutory Development Plan until such time as the Southwark Plan is formally adopted it is likely that, in determining pending applications, the council will give predominant weight to Southwark Plan policies. Upon formal adoption the policies in the Southwark Plan will be applied unless material considerations indicate otherwise.

55. **Policy 2.5 – Planning Obligations** says:

“The LPA [local planning authority] will seek to enter into planning obligations to

- i. Avoid or mitigate the adverse impacts of development which can not otherwise be adequately addressed through conditions
- ii. Secure or contribute towards the infrastructure, environment or site management necessary to support the development
- iii. Secure an appropriate mix of uses within a development.

Agreements may secure one or more of the following

- i. A financial contribution (either one-off or on-going)
- ii. Works in kind
- iii. Restriction on development; and/or Use of all or part of a development and/or
- iv. Preparation and implementation of a mitigation strategy and/or
- v. Any other measure required to mitigate the impact of the development.

In all cases, the contribution must fairly and reasonably relate to the proposed development, and will be identified through policies within the Plan. Appendix 7 [of the Southwark Plan] sets out further details of Planning Obligations.”

Appendices

Appendix 1: Summary charges table

Topic area	To provide	Threshold	Cost
Education	<ul style="list-style-type: none"> Capital cost of school place 	<ul style="list-style-type: none"> 10 units or more 	<ul style="list-style-type: none"> £10,698 per school place
Employment in the development	<ul style="list-style-type: none"> Initiatives to support local unemployed into end use jobs within development and protect SME's 	<ul style="list-style-type: none"> Over 1000sqm of new or improved floor space 	<ul style="list-style-type: none"> To provide training and support into employment through a WPC for one person costs approximately £2,500
Employment during construction	<ul style="list-style-type: none"> Initiatives to support local unemployed into construction jobs during development 	<ul style="list-style-type: none"> Where schemes propose 10 or more units, and over 1000sqm of new improved floor space 	<ul style="list-style-type: none"> Pro-rata contribution to employ a WPC (£71,675)
Public open space, childrens' play equipment, and sports development	<ul style="list-style-type: none"> Public open space, children's play equipment and sports facilities 	<ul style="list-style-type: none"> 10 units and above Net increase in retail and office development 	<ul style="list-style-type: none"> £107 per person for open space £75 per child for childrens play equipment £327 per person for sports development Additional £107 per person living in areas of park deficiency
Transport strategic	<ul style="list-style-type: none"> Strategic transport initiatives 	<ul style="list-style-type: none"> 10 units or more Retail and office developments resulting in a net increase of gross external floor area will be required to contribute 	<ul style="list-style-type: none"> £212 per person
Transport site specific	<ul style="list-style-type: none"> Site specific items 	<ul style="list-style-type: none"> 10 units and above 	<ul style="list-style-type: none"> Costed on a site-by-site basis. For example zebra crossing £30,000
Public realm	<ul style="list-style-type: none"> Site specific items 	<ul style="list-style-type: none"> 10 units and above 	<ul style="list-style-type: none"> Costed on a site-by-site basis. For example street lighting £2,100 per column
Archaeology	<ul style="list-style-type: none"> Desk-based assessment (DBA) Archaeological evaluation Archaeological excavation 	<ul style="list-style-type: none"> All developments in APZ 	<ul style="list-style-type: none"> Site up to 1,000sqm would cost £2,250
Health	<ul style="list-style-type: none"> Capital cost of new health facilities 	<ul style="list-style-type: none"> 10 units and above 	<ul style="list-style-type: none"> £901 per unit
Community facilities	<ul style="list-style-type: none"> Capital cost of new community facilities 	<ul style="list-style-type: none"> 10 units and above and 1000sqm and above for commercial schemes (Where the existing community facilities are unable to accommodate more users) 	<ul style="list-style-type: none"> £68 per person
Administration charge	<ul style="list-style-type: none"> Monitoring and administration 	<ul style="list-style-type: none"> All s106 agreements 	<ul style="list-style-type: none"> 2% of the first £3 million of monetary contributions to be provided thereunder and 1% of monetary contributions to be provided thereunder thereafter

Appendix 2: Case study example

A hypothetical example is taken for a mixed-use scheme outside the Central Activities Zone and Elephant and Castle Opportunity Area (where affordable housing targets are different) and in the Archaeological Priority Zone (APZ). The example comprising the following quantum of development

- 46 residential units
- 1000sqm of commercial B1 space

The following split of units is proposed, which is in line with Policies 4.1, 4.2, 4.3 and 4.4 of the Emerging Southwark Plan:

Residential units	Total no. of units	Owner occupied units	Total affordable units	Social for rent units	Intermediate units	No. of habitable Rooms	No. of units with children
1 bedroom units	23	15	8	6	2	46	
2 bedroom units	18	12	6	4	2	54	18
3 bedroom units	3	2	1	1	0	12	3
4 or more bedroom units	2	1	1	0	0	10	2
Total	46	30	16	11	5	122	23

Standard charge calculations for each obligation based on the above quantum of development are shown below:

Education owner occupied						
	Number of Unit size		Child yield – 10% educated outside Borough – 31% aged 0-4		Average cost of new school place - rebate	Contribution required £
1 bedrooms	15	x	EXEMPT			
2 bedrooms	12	x	0.11 – 40%	x	£14298 - £3600	8,674
3 bedrooms	2	x	0.42 – 40%	x	£14298 - £3600	5,520
4 bedrooms	1	x	0.98 – 40%	x	£14298 - £3600	8,586
Total						22,780

Education affordable housing						
	Number of Unit size		Child yield – 10% educated outside Borough – 31% aged 0-3		Average cost of new school place - rebate	Contribution required £
1 bedrooms	8	x	EXEMPT			
2 bedrooms	6	x	0.4 – 40%	x	£14298 - £3600	16,984
3 bedrooms	1	x	1.88 – 40%	x	£14298 - £3600	13,304
4 bedrooms	1	x	1.9 – 40%	x	£14298 - £3600	8,964
Total						30,288

Employment 1 (Employment training and support for access to jobs in the completed development)

Expected number of employees	Target of Southwark residents in new jobs	Percentage requiring training	Cost of training and support	Contribution required £
1,000 sq m / 14 sq m	x 24%	x 35%	x £2,500	15,000

Employment 2 (WPC and training during construction phase)

Size of development	Size of development requiring a full WPC	Proportion of WPC required	Cost of full WPC	Contribution required £
46	160 units	0.29	£71,675	20,607
1000	7500 sqm	0.13	£71,675	9,557
Total				30,163

Open space

	Number of units / net floorspace	Average Household size / no. of employees per sqm	Contribution per person £	Contribution required £
Open Space				
1 bed unit	23	1.4	107	3,445
2 bed unit	18	2	107	3,852
3 bed unit	3	2.8	107	899
4 bed unit +	2	3.5	107	749
A1/B1	1000sqm	1 every 14 sqm	107	7,643
Sports Development				
1 bed unit	23	1.4	327	10,529
2 bed unit	18	2	327	11,772
3 bed unit	3	2.8	327	2,747
4 bed unit +	2	3.5	327	2,289
Children's Play Equipment				
2 bed unit	18	2	75	2,700
3 bed unit	3	2.8	75	630
4 bed unit +	2	3.5	75	525
TOTAL				47,780

Transport				
Type of units	Average household size / Office occupancy rate per employee sq m	Number of residents	Strategic transport investment rate £	Contribution required £
Residential				
1 bed unit	1.4	32	212	6,826
2 bed unit	2	36	212	7,632
3 bed unit	2.8	8	212	1,781
4 bed unit +	3.5	7	212	1,484
Commercial				
1000 sqm	14	71	212	15,143
TOTAL				32,866

Health			
Type of units	Number of units	Health Charge £ per unit	Contribution required £
Residential			
1 bed unit	23	901	20,723
2 bed unit	18	901	16,218
3 bed unit	3	901	2,703
4 bed unit +	2	901	1,802
TOTAL			41,446

A summary table of the planning obligation requirements arising from this hypothetical case study are shown below:

Topic area	Standard Charge Amount (£)
Education primary school	£ 39,802
Education secondary school places	£ 13,267
Employment	£ 45,163
Open space	£ 47,780
Archaeology	£ 2,250
Transport	£ 32,866
Transport site specific	SITE SPECIFIC
Health	£ 41,446
Community facilities	SITE SPECIFIC
Public realm	SITE SPECIFIC
Affordable housing	35% PROVIDED ON SITE
Other	SITE SPECIFIC
Administration fee	£ 4,451
TOTAL CONTRIBUTION	£ 227,026
Total no. of housing units	46
Total contribution per unit (less commercial space)	£ 3,886

Appendix 3: Contacts page

Issue	Organisation	Officer	Contact
Planning applications	Regeneration Department	Duty officer helpline	020 7525 5403
S106 monitoring	Regeneration Department	S106 Monitoring officer	020 7525 5443
Planning committee clerk	Strategic Services	Committee clerk	020 7525 7055
Legal	Strategic Services Department	Principal planning lawyer	020 7525 7635
Planning policy	Regeneration Department	Planning policy manager	020 7525 0508
Education	Education Department	Education planning officer	020 7525 5018
Employment	Regeneration Department	Economic development manager	020 7525 5676
Transport	Regeneration Department	Group transport manager	020 7525 5564
Open space	Environment and Leisure Department	Head of parks	020 7525 0874
Public realm	Environment and Leisure Department	Head of infrastructure	020 7525 2091
Health	Primary Care Trust (PCT)	Head of premises development	020 7525 0400
Archaeology	Regeneration department	Archaeology officer	020 7525 2963

Appendix 4: Planning obligations statement (pos) template

Planning obligation	Summary of council requirement	Applicant contribution	Applicant comments	Officer verification
Affordable housing	<ul style="list-style-type: none"> • 35% or 40% on site provision for 15 units or more. Off site contribution for 10-14 units 			
Education	<ul style="list-style-type: none"> • £10,698 per school place 			
Employment in the development	<ul style="list-style-type: none"> • To provide training and support into employment through a WPC for one person costs approximately £2,500 			
Employment during construction	<ul style="list-style-type: none"> • Pro-rata contribution to employ a WPC (£71,675) 			
Public open space, childrens' play equipment, and sports development	<ul style="list-style-type: none"> • £107 per person for open space • £75 per child for children's play equipment • £327 per person for sports development • Additional £107 per person living in areas of park deficiency 			
Transport strategic	<ul style="list-style-type: none"> • £212 per person 			
Transport site specific	<ul style="list-style-type: none"> • Costed on a site by site basis. For example zebra crossing £30,000 			
Public realm	<ul style="list-style-type: none"> • Costed on a site by site basis. For example street lighting £2,100 per column 			
Archaeology	<ul style="list-style-type: none"> • Site up to 1000sqm would cost £2,250 			
Health	<ul style="list-style-type: none"> • £901 per unit 			
Community facilities	<ul style="list-style-type: none"> • £68 per person 			
Admin charge (Excludes legal fees)	<ul style="list-style-type: none"> • 2% of the first £3 million of monetary contributions to be provided 			
Other, including <ul style="list-style-type: none"> • Tourism • Conservation • Childcare • Affordable business space 	<ul style="list-style-type: none"> • Costed on a site by site basis. For example contribution to tourism signage and wayfinding £2,500 per sign pole. 			

Appendix 5: Frequently asked questions

What is the difference between a planning condition and a planning obligation?

A planning condition is a legal mechanism to either regulate the development or the use of any land under control of the applicant, whilst a planning obligation can involve a payment either direct, or in kind towards planning measures to mitigate the impact of a development, or restrict the use of the land, or require certain activities to be carried out in relation to the land, or require the land to be used in a specified way.

Do I need to involve a solicitor to complete the agreement?

You do not necessarily need a solicitor but it may be advisable because legal agreements and undertakings are local land charges and bind the legal title of the land. They may restrict or affect the use of the property in the future. Alternatively, some applicants may choose to use their agent or planning consultant.

What will happen to the payments?

Having identified an appropriate project and agreed a scheme, there are two main ways in which S106 funds are approved to be spent: (1) Under delegated authority - the director of regeneration has delegated authority to release S106 sums of less than £100,000. (2) By planning committee - the planning committee must approve S106 funds in excess of £100,000. Community councils should comment on the application of S106 funds over £100,000 (prior to planning committee). S106 funds can only be approved to be spent in accordance with the obligations as set out in individual agreements. Financial and legal concurrents are always required as part of this process.

How long will it take to complete a legal agreement or undertaking?

This will depend on a number of issues including the complexity and size of the proposed development, the smoothness of negotiations between the parties, how much progress has been made before the proposal goes to committee, and the complexity of title issues. It is Southwark's aim to carry out as much as possible of this work prior to consideration by committee. Straightforward agreements on non-complex sites should normally be completed shortly after the committee resolution. Undertakings tend only to deal with simple obligations such as the payment of a financial contribution into a particular fund and so once the obligation has been agreed there is no reason why the standard form of undertaking cannot be concluded promptly. Southwark's aim is to conclude such matters quickly and efficiently so that the planning permission can be issued. Applicants are encouraged to commence negotiations as soon as they become aware that an obligation will be sought or bring forward their own suggestions for planning obligations in accordance with this guidance.

Appendix 6: Useful background papers

Department for Communities and Local Government (2005). **Planning Policy Statement 1 (PPS1)**
Available from: www.communities.gov.uk/index.asp?id=1143808

Department for Communities and Local Government (2005) **Circular 05/05 : Planning Obligations.**
Available from:
www.communities.gov.uk/pub/320/Circular0505PlanningObligationsPDF149Kb_id1144320.pdf

Department for Communities and Local Government (July 2006) **Planning Obligations Practice Guidance.**
Available from: www.communities.gov.uk

Department for Communities and Local Government (July 2006) **Model S106 Agreement.**
Available from: www.communities.gov.uk

Great Britain Parliament (1990) **The Town and Country Planning Act (1990).**
Available from: www.opsi.gov.uk

Greater London Authority (2006). **Providing for Young People's Play and Informal Recreation.**
Available from: www.london.gov.uk/mayor/strategies/sds/docs/spg-children-recreation.pdf

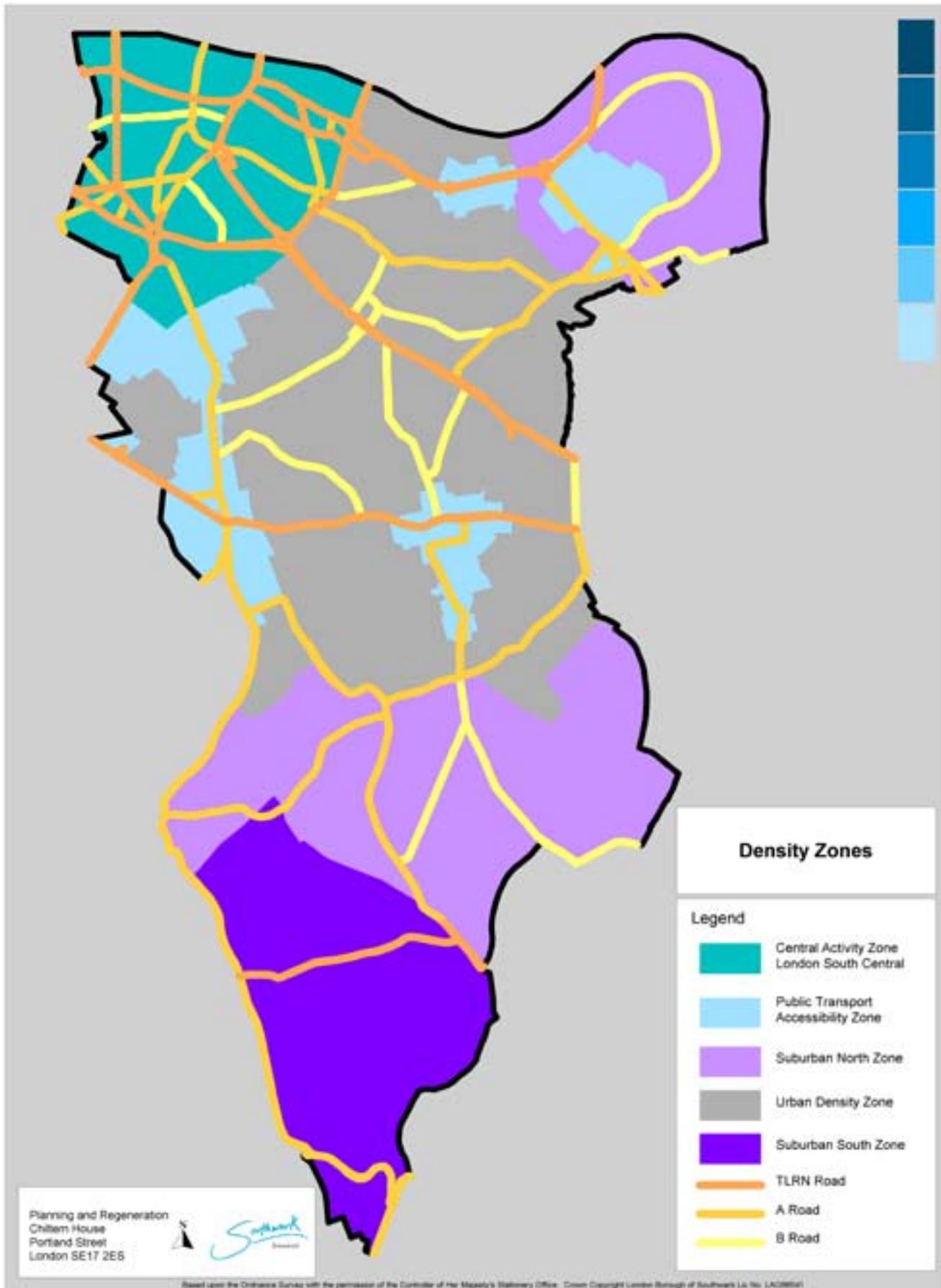
Southwark Council (April 2003) **A Community Strategy for Southwark.**
Available from: www.southwarkalliance.org.uk

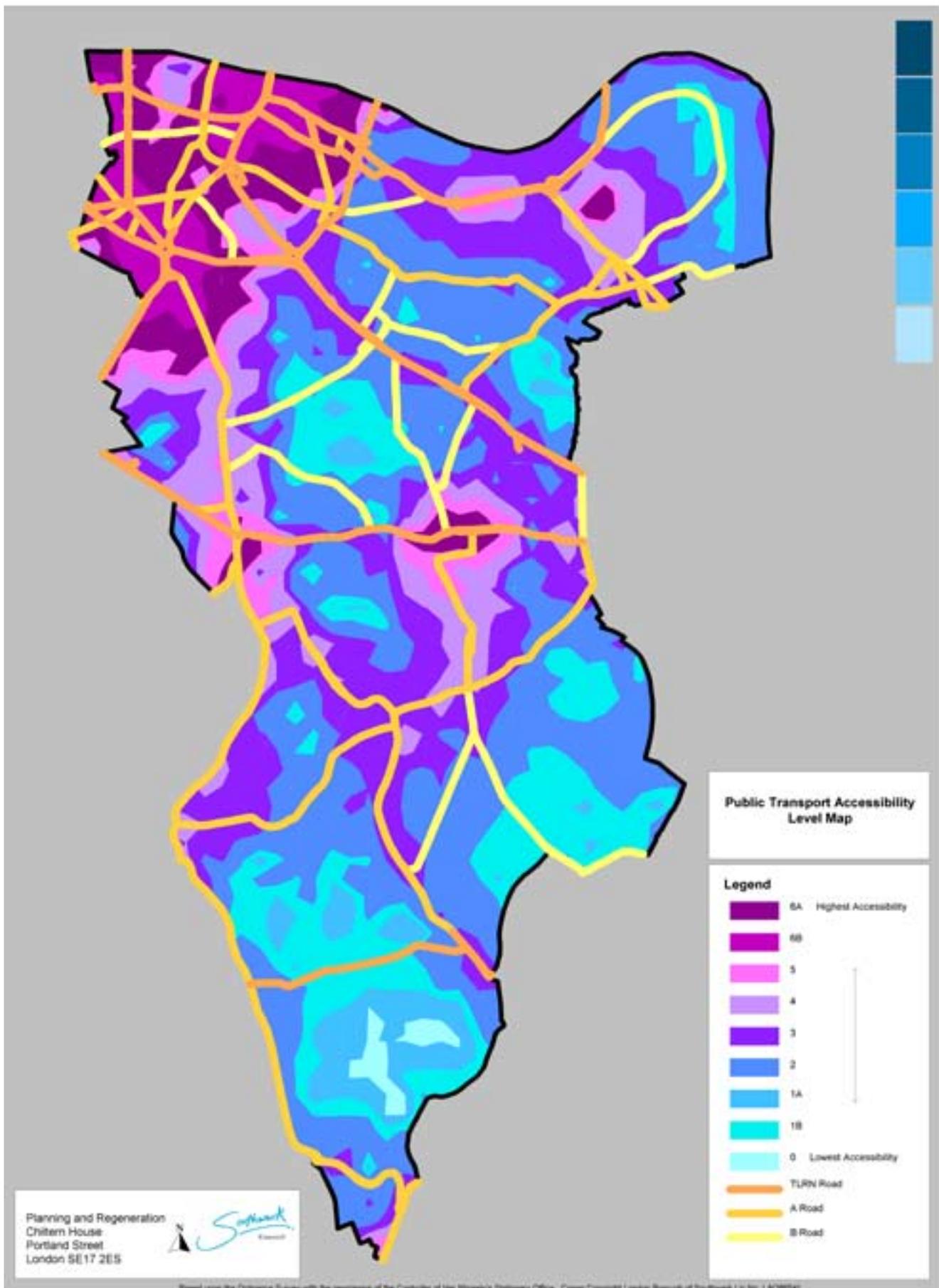
Southwark Council (2006) **Statement of Community Involvement.**
Available from:
www.southwark.gov.uk/YourServices/planningandbuildingcontrol/localdevelopmentframework/SCI.html

Southwark Council (2006) **Annual Monitoring Report.**
Available from:
www.southwark.gov.uk/YourServices/planningandbuildingcontrol/localdevelopmentframework/annualmonitoringreport.html

Appendix 7: Useful reference maps







Appendix 8: Glossary

Affordable Housing.

Housing that is accessible to those households who cannot otherwise afford the cheapest habitable dwelling with the same number of habitable rooms, available anywhere within the borough at market prices. This category includes low cost home ownership schemes and key worker housing.

Community facilities

Community facilities (statutory and non-statutory) are defined as

- i. Buildings used by voluntary sector groups
- ii. Libraries or public reading rooms
- iii. Social Service and Day Centres
- iv. Places of public worship or religious instruction
- v. Medical or health services, and Healthy Living Centres (except for the use of premises attached to the residence of the consultant or practitioner)
- vi. Facilities for youth provision
- vii. Sport, leisure and Recreational facilities
- viii. Arts and Culture facilities
- ix. Crèche, day nurseries or other childcare facilities
- x. Ancillary community uses.

Habitable Room

A room within a dwelling, the main purpose of which is for sleeping, living or dining. It is any room with a window that could be used to sleep in, regardless of what it is actually used for. This excludes toilets, bathrooms, landings, halls and lobbies, and also excludes kitchens with an overall floor area of less than 11 square metres.

Intermediate Housing

Affordable Housing made available to those households who cannot be accommodated within the capacity of the social housing provision, and cannot access market housing. This type of accommodation is often made available to key-workers and other lower to medium income groups, and is typically provided through low-cost housing schemes such as shared ownership.

Key Worker Housing

Housing that is reserved or allocated for people who are given priority by virtue of their employment to ensure that employees are retained in essential public services. This includes those who work in health, education, police and emergency services.

Local Development Framework (LDF)

Local Development Framework (LDF) is a bundle of Local Development Documents which together cover the whole of the Borough, and give comprehensive policy coverage at a detailed level.

Local Implementation Plans (LIPs)

Statutory transport plans produced by London boroughs bringing together transport proposals to implement the Mayor's Transport Strategy at the local level.

Material consideration

A legal term describing a matter or subject which is relevant (material) for a local authority to consider when using its powers under planning law

Open space

The term open spaces covers all land use in London that is predominantly undeveloped other than by buildings or structures that are ancillary to the open space use. This definition covers a range of types of open space within the urban area, both in public or private ownership and whether access is unrestricted, limited or restricted.

Planning obligation

Obligations (either planning agreements or unilateral undertakings) associated with the grant of planning permission under powers given by Section 106 of the Town & Country Planning Act 1990.

Project bank

A council-held list of projects broadly organised by community council area which may be suitable for funding (all or in part) through planning obligations. The local community, ward members and council officers put projects forward for inclusion on the list. The list can then be used by development control officers and developers to identify specific area-based projects which the developer may wish to contribute towards as part of a planning obligation, in order to address the impact of their development.

Public realm

The space between and within buildings that is publicly accessible, including streets, squares, forecourts, parks and open spaces.

Public Transport Accessibility Zones

These are areas within the urban or suburban zones, which have better access to public transport, significant potential for new development and investment, and a mixed-use character including significant retail development. The four Public Transport Accessibility Zones are Canada Water, Camberwell, Bermondsey Spa and Peckham.

Social Rented (Social Housing)

Affordable Housing which is affordable by all those in housing need. This is typically provided as rented accommodation through the local authority or a registered social landlord.

Transport Development Areas (TDA)

These are well designed, higher density, mixed use areas, situated around good public transport access points, in urban areas. Within a TDA, boroughs may grant permission for higher density development, compared with existing development plan policy.

Unitary Development Plans (UDPs)

Statutory plans produced by each borough which integrate strategic and local planning responsibilities through policies and proposals for the development and use of land in their area.

Contact us

Planning policy and research team, Regeneration department, Southwark Council, Chiltern, Portland Street, London SE17 2ES

Any enquiries relating to this document can be directed to planning policy and research team, Southwark Council. Email planningpolicy@southwark.gov.uk, Tel 020 7525 5471

This document can be viewed at www.southwark.gov.uk/yourservices/planningandbuildingcontrol/localdevelopmentframework/SPD.html

If you require this document in large print, braille or audiotape please contact us on 020 7525 5548.

Arabic

هذه الوثيقة أعدت من قبل فريق سياسة تخطيط بلدية ساوثارك.
هذه الوثيقة ستأثر على القرارات التي اتخذت حول تخطيط وتطوير إستعمال الأرض في ساوثارك.
إذا اردت أن تطلب المزيد من المعلومات أو من الاستشارة بلغتك يرجى القيام بزيارة دكان (وان ستوب شوب) وأعلم الموظفين هناك باللغة التي تريدها. إن عناوين دكاكين (وان ستوب شوب) موجود في أسفل هذه الصفحة

Bengali

সাদ্যাক কাউন্সিলের প্ল্যানিং পলিসি টিম এই দলিলটি প্রকাশ করেছেন। এই দলিলটি সাদ্যাকে জমি ব্যবহারের পরিকল্পনা ও উন্নয়ন সম্পর্কিত সিদ্ধান্তগুলির উপর প্রভাব রাখবে। আপনি যদি আপনার ভাষায় অতিরিক্ত তথ্য ও পরামর্শ চান তাহলে অনুগ্রহ করে ওয়ান স্টপ শপে যাবেন এবং কি ভাষায় এটা আপনার দরকার তা কর্মচারীদের জানাবেন। ওয়ান স্টপ শপগুলোর ঠিকানা এই পৃষ্ঠার নিচে দেয়া হল।

French

Ce document est produit par l'équipe de la politique du planning de la mairie de Southwark. Ce document affectera les décisions prises sur le planning de l'utilisation des terrains et du développement dans Southwark. Si vous avez besoin de plus de renseignements ou de conseils dans votre langue, veuillez vous présenter au One Stop Shop et faire savoir au personnel la langue dont vous avez besoin. Les adresses des One Stop Shops sont au bas de cette page.

Somali

Dukumeentigan waxa soo bandhigay kooxda Qorshaynta siyaasada Golahaasha Southwark. Dukumeentigani wuxuu saamaynayaa go'aanaddii lagu sameeyey isticmaalka dhuulka ee qorshaynta iyo horumarinta ee Southwark.Haddii aad u baahan tahay faahfaahin dheeraad ah ama talo ku saabsan luqadaada fadlan booqdo dukaanka loo yaqaan (One Stop Shop) xafiiska kaalmaynta kirada guryaha shaqaalaha u sheeg luqada aad u baahan tahay. Cinwaanada dukaamada loo yaqaan (One Stop Shops) xafiisyada kaalmaynta kirada guryaha waa kuwan ku qoran bogan hoosteedda.

Spanish

Este documento ha sido producido por el equipo de planificación de Southwark. Este documento afectará las decisiones que se tomarán sobre uso de terrenos, planificación y desarrollo en Southwark. Si usted requiere más información o consejos en su idioma por favor visite un One Stop Shop y diga a los empleados qué idioma usted requiere. Las direcciones de los One Stop Shops están al final de esta página.

Tigrinya

እዚ ሰነድ (ጽሑፍ) ብሳዕርክ ካውንስል (Southwark) ናይ ውጥን መምርሒ ጉድል ዝተዳለወ እዩ ። እዚ ሰነድ እብ ሳዕርክ ናይ መሬት ኣጠቓቕማ መደብን ስብዮትን ኣብ ዝግበሩ ውሳኔታት ለውጢ ከምጽእ ይኸእል እዩ ። ተወሳኺ ሓበሬታን ምኽርን ብጽንጽኹም እንተደለኹም ናብ ዋን ስቶፕ ሾፕ (one stop shop) ብምኽድ ንትረኽቡዎ ሰራሕተኛ ትደልይዎ ቋንቋ ንገርዎ ። ናይ ዋን ስቶፕ ሾፕ ኣድረሻ ኣብ ታሕቲ ተጻሓፉ ይርከብ ።

Peckham one stop shop, Peckham Library, Peckham Hill Street, SE15 5JR. Walworth one stop shop, 151 Walworth Road, SE17 1QY. Southwark Town Hall, 31 Peckham Road, SE5 8UB