

# Public Document Pack



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## CABINET

**DATE: TUESDAY 15 DECEMBER 2009**  
**TIME: 2.00 PM**  
**PLACE: COUNCIL HOUSE, PLYMOUTH**

### Members –

Councillor Mrs Pengelly, Chair

Councillor Fry, Vice Chair

Councillors Bowyer, Brookshaw, Jordan, Michael Leaves, Monahan, Ricketts, Dr. Salter and Wiggins

***Members are invited to attend the above meeting to consider the items of business overleaf***

***Members and Officers are requested to sign the attendance list at the meeting.***

**BARRY KEEL**  
CHIEF EXECUTIVE

## **CABINET**

### **PART I (PUBLIC MEETING)**

**1. APOLOGIES**

To receive apologies for non-attendance submitted by Members.

**2. DECLARATIONS OF INTEREST**

Members will be asked to make any declarations of interest in respect of items on this Agenda.

**3. MINUTES**

**(Pages 1 - 6)**

To sign and confirm as a correct record the minutes of the meetings held on Tuesday 10 November 2009 and Friday 20 November 2009.

**4. QUESTIONS FROM THE PUBLIC**

To receive questions from the public in accordance with the Constitution.

**5. CHAIR'S URGENT BUSINESS**

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

**CABINET MEMBER: THE DEPUTY LEADER**

**6. LOCAL DEVELOPMENT FRAMEWORK: ANNUAL  
REVIEW OF PLANNING OBLIGATIONS AND  
AFFORDABLE HOUSING SUPPLEMENTARY PLANNING**

**(Pages 7 - 50)**

CMT Lead Officer: Director for Development and Regeneration

**CABINET MEMBER: COUNCILLOR BOWYER**

**7. COUNCIL TAX BASE SETTING**

CMT Lead Officer: Director for Corporate Support

**8. COUNCIL TAX FINAL TAX BASE REPORT AS AT 30TH  
NOV 2009:**

**(Pages 51 - 56)**

**CABINET MEMBER: COUNCILLOR DR SALTER**

**9. AWARD OF CONTRACT FOR PLYMOUTH COMMUNITY EQUIPMENT SERVICE (Pages 57 - 60)**

CMT Lead Officer: Director for Community Services

**10. EXEMPT BUSINESS**

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph(s) 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

**PART II (PRIVATE MEETING)**

**MEMBERS OF THE PUBLIC TO NOTE**

That under the law, the Committee is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

**CABINET MEMBER: COUNCILLOR DR SALTER**

**11. AWARD OF CONTRACT FOR PLYMOUTH COMMUNITY EQUIPMENT SERVICE (Pages 61 - 74)**

CMT Lead Officers: Director for Community Services

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## Cabinet

Tuesday 10 November 2009

### PRESENT:

Councillor Mrs Pengelly, in the Chair.  
Councillor Wogens, Vice Chair.  
Councillors Bowyer, Brookshaw, Jordan, Michael Leaves, Monahan, Ricketts and Dr. Salter.

Apologies for absence: Councillor Fry.

The meeting started at 2.00 pm and finished at 2.35 pm.

*Note: At a future meeting, the Cabinet will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.*

### 78. APPOINTMENT OF VICE-CHAIR

Resolved that Councillor Wogens be appointed as Vice-Chair for this meeting.

### 79. DECLARATIONS OF INTEREST

The following declarations of interest were made in accordance with the Code of Conduct from Members in relation to an item under consideration at this meeting –

| <b>Name</b>               | <b>Item</b>   | <b>Declaration</b>       | <b>Reason</b>                         |
|---------------------------|---|--------------------------|---------------------------------------|
| Councillor Bowyer         | Minute no. 87<br>Residential Care: Update on Modernisation of Older People's Services (2005-2015) | Personal and Prejudicial | Relative employed in Residential Home |
| Councillor Michael Leaves | Minute no. 87<br>Residential Care: Update on Modernisation of Older People's Services (2005-2015) | Personal and Prejudicial | Owner of Residential Home             |

### 80. MINUTES

The minutes of the meeting held on 20 October 2009 were confirmed as a correct record.

### 81. QUESTIONS FROM THE PUBLIC

There were no questions submitted by members of the public.

### 82. CHAIR'S URGENT BUSINESS

There were no items of Chair's Urgent Business.

### 83. JOINT FINANCE AND PERFORMANCE REPORT

The report of the Corporate Management Team was submitted.

Resolved that –

- (1) the work underway to improve the Carefirst System and the need for priority investment in this area be noted;

- (2) the **maximum** amount of carry forward at year end for Departments for 2009/10 be agreed, based on previously agreed criteria as:

|                   |          |
|-------------------|----------|
| Chief Executive's | £0.012m  |
| Corporate Support | £0.066m; |

- (3) the movement on the capital programme during the period be noted and the new schemes totalling £0.349m and scheme variations totalling £0.084m, outlined in paragraph 6.6 of the report, be added to the programme for 2009/10;
- (4) the reallocation of the Job Evaluation contingency across council departments, as outlined in section 13.2.2 of the report, be approved;
- (5) Officers seek an urgent meeting with Department of Communities and Local Government to discuss options to utilise the capital monies from the VAT shelter agreement to offset revenue pressures, these options to include:
- (a) an in principle agreement to an exceptional Capitalisation Direction over the next five years, and/or
  - (b) agreement to a special regulation under section 9(3)(a) of the Local Government Act 2003 permitting the Council to treat VAT shelter receipts as revenue;
- (6) the action taken by Officers to ensure that funding for the Devonport Neighbourhood Manager post is available over the next three years be noted and the transfer of £0.100m to an earmarked reserve in return for additional New Deal Communities grant funding towards Brickfields running costs be agreed;
- (7) the action taken by the Director for Corporate Support, acting under delegated authority, to remove the £10m limit on call accounts be noted, these deposits to be managed within the overall credit limit for each banking Group.

84. **BUILDING SCHOOLS FOR THE FUTURE (BSF): PROJECT GOVERNANCE AND BSF CABINET COMMITTEE**

The report of the Chief Executive was submitted.

Resolved that

- (1) a Committee of Cabinet be formed, to be known as the 'BSF Cabinet Committee', be formed, the members of that Committee being:
- Cabinet Member for Children and Young People (Chair)
  - Cabinet Member for Budget and Resources
  - Cabinet Member for Safer and Stronger Communities

and that the Committee be asked to invite the Shadow Cabinet Member for Children and Young People and Councillor David Stark to attend Committee meetings as observers: it be noted that the Cabinet Procedure Rules will apply to the Committee;

- (2) the Leader delegates all executive functions relating to the Building Schools for the Future (BSF) Project (including without limitation the monitoring of the Services for Children and Young People Capital investment) to that BSF Cabinet Committee, with the exception of decisions relating to the constitution of the BSF Cabinet Committee, the services to be provided by the Local Education Partnership and the contract award, each of which the Leader delegates to Cabinet;
- (3) the terms of reference and other provisions relating to that BSF Cabinet Committee, and the other arrangements for governance of the BSF Project, in each case as set out in Appendices 1 and 2, be approved and the Committee be requested to ensure appropriate sub-delegation, broadly in line with those arrangements;
- (4) the BSF Cabinet Committee, the BSF Project Executive, the BSF Project Team and the delegations to the Project Owner and Project Director be automatically terminated in the event that the Council does not achieve a 'Remit' meeting (project inception, as defined by Partnership for Schools processes) and accordingly it be requested that all delegations from

the Committee to the Project Owner and from the Project Owner to the Project Director be made on that basis.

85. **PLYMOUTH'S CHILDREN AND YOUNG PEOPLE'S TRUST PLAN 2008 - 2011: REFRESH 2009**

The report of the Director for Services for Children and Young People was submitted.

Resolved that the 2009 refresh of the Children and Young People's Plan be endorsed.

86. **LICENSING ACT 2003 - 12 MONTH REVIEW OF THE CUMULATIVE IMPACT POLICY**

The report of the Director for Community Services was submitted.

Resolved that the recommendations of the Customers & Communities Overview & Scrutiny Panel be agreed, as follows –

- (1) the existing policy remain in place;
- (2) a full review by the Customers & Communities Overview & Scrutiny Panel of the Cumulative Impact Policy be undertaken, together with the three year licensing policy review for 2011.

87. **GAMBLING ACT 2005 - 3 YEAR REVIEW OF THE STATEMENT OF PRINCIPLES**

The report of the Director for Community Services was submitted.

Resolved that it be recommended to the City Council that the Gambling Act Statement of Licensing Policy contained in Appendix B be adopted and that the Officers be authorised to take the necessary steps to publish the new Policy, to be implemented on 31 January 2010.

88. **RESIDENTIAL CARE: UPDATE ON MODERNISATION OF OLDER PEOPLE'S SERVICES (2005 - 2015)**

The report of the Director for Community Services was submitted.

Resolved that the re-provision of Whitleigh Residential Respite Home and the reinvestment into alternative respite services be agreed.

(Councillors Bowyer and Michael Leaves declared personal and prejudicial interests in the above item and left the room.)

89. **EXEMPT BUSINESS**

There were no items of exempt business.

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## Cabinet

Friday 20 November 2009

### PRESENT:

Councillor Mrs Pengelly, in the Chair.

Councillor Fry, Vice Chair.

Councillors Bowyer, Brookshaw, Jordan, Michael Leaves, Monahan, Ricketts, Dr. Salter and Wigans.

The meeting started at 10.00 am and finished at 11.30 am.

*Note: At a future meeting, the Cabinet will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.*

### 90. DECLARATIONS OF INTEREST

The following declaration of interest was made in accordance with the Code of Conduct from Members in relation to items under consideration at this meeting –

| <b>Name</b>               | <b>Item</b>  | <b>Declaration</b>       | <b>Reason</b>                         |
|---------------------------|--|--------------------------|---------------------------------------|
| Councillor Michael Leaves | Minute 92 & 94 – Plymouth CityBus Limited Shareholding | Personal and Prejudicial | relative employed by Plymouth CityBus |

### CHAIR'S URGENT BUSINESS

#### 91. Plymouth Children and Young People's Plan 2008-2001 (2009 refresh) Cabinet Minute 85, 10 November 2009

The report of the Director for Services for Children and Young People was submitted.

Resolved that it be recommended to the City Council that the 2009 refresh of the Children and Young People's Plan be endorsed.

#### 92. PLYMOUTH CITYBUS LIMITED SHAREHOLDING

The report of the Director for Corporate Support was submitted.

Resolved that the Cabinet having considered the contents of the report and the update report recommends the following to Council.

(1) That Council –

(a) approves the sale of 100% of the shares in Plymouth CityBus Limited held by Plymouth City Council and Barry Keel on Trust for the Council to Go-Ahead Holdings Ltd on the terms set out in the Conditional Sale and Purchase Agreement (the SPA) entered into between (1) the Council and (2) the Preferred Bidder (the recommended terms of sale) subject to the satisfaction of the condition in the SPA;

(b) authorises the Director for Corporate Support (or any other officer authorised by him) to make any drafting or other amendments required to the recommended terms of sale to address any issues arising prior to completion, provided that such amendments do not affect the core terms of sale and provided that such amendments are made following consultation with the Project Board;

- (c) authorises the Director for Corporate Support (or any other officer authorised by him) to take all necessary steps for and on behalf of the Council that may be required in the SPA or in any of the documents referred to in the SPA or relate to the wider transaction contemplated by the SPA which shall include the documents listed in the Annex to this part I and part II report (transaction documents);
- (d) authorises the Head of Legal Services (or any other officer authorised by him ) to agree and execute all documents required to effect the sale;
- (e) authorises the Director for Corporate Support (or any other officer authorised by him) to act as Authorised officer for the purposes of Article 7 of the Articles of Association of Plymouth CityBus Limited;
- (f) instructs all Council-nominated Non Executive Directors of Plymouth CityBus Limited to resign at the next meeting of the Board of Plymouth CityBus Limited or at such time as required by the Director for Corporate Support and instructs Barry Keel to transfer the share held by him in Trust for the Council as directed by the Director of Corporate Support.

93. **EXEMPT BUSINESS**

Resolved that under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

94. **PLYMOUTH CITYBUS LIMITED SHAREHOLDING**

Resolved to note the contents of the report.

**CITY OF PLYMOUTH**

|                        |   |
|------------------------|---|
| <b>Subject:</b>        | Local Development Framework: Annual Review of Planning Obligations & Affordable Housing Supplementary Planning Document |
| <b>Committee:</b>      | Cabinet   |
| <b>Date:</b>           | 15 December 2009  |
| <b>Cabinet Member:</b> | Councillor Fry  |
| <b>CMT Member:</b>     | Director of Development & Regeneration  |
| <b>Author:</b>         | Jonathan Bell, Head of Development Planning   |
| <b>Contact:</b>        | Tel: 01752 304353<br>e-mail: jonathan.bell@plymouth.gov.uk  |
| <b>Ref:</b>            | JAB   |
| <b>Part:</b>           | I   |

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**Executive Summary:**

The Planning Obligations & Affordable Housing Supplementary Planning Document (SPD) was adopted by the City Council on 1 December 2008, and an annual review process was then committed to. In addition, the SPD was accompanied by some temporary measures designed to stimulate the development market during the calendar year of 2009, in response to the global economic recession.

The annual review of the SPD has been informed by nearly a year's practical use of the SPD through the planning application process, as well as through research on issues such as economic viability and customer feedback.

Through this process, the need for some minor improvements to the SPD has been identified, as has the need for a continuation of market recovery measures during 2010/11.

The proposed changes to the SPD include:

- Those required to make the document more user-friendly
- Those required to clarify the document
- Improvements to the document to make it more responsive to business needs
- The mainstreaming of market recovery measures into the SPD.

The report relates to the approval of a draft amended SPD for the purposes of community consultation. Once this consultation is complete, the SPD will be

brought to a future meeting of Full Council (Spring-early Summer 2010) for formal adoption.

The report also recommends the approval of a new market recovery scheme for the period January 2010 to March 2011.

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### **Corporate Plan 2009-2012:**

The SPD directly supports the delivery of Corporate Improvement Priority (CIP) 12, which relates to the delivery of accelerated economic and housing growth. It forms part of the Local Development Framework, which is a key driver of the growth agenda, and will help to ensure that infrastructure needs are met as the city grows. As such, it also supports other Corporate Improvement Priorities: in particular: providing better and more affordable housing (CIP5); providing more and better cultural and leisure activities (CIP6); developing high quality places to learn in (CIP9); and improving access across the city (CIP11).

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

The implications of the SPD were considered in October 2008 when the Cabinet approved a tariff based approach to planning obligations (subsequently adopted by Full Council on 1 December 2008). The current report suggests minor changes to the SPD which will improve its efficiency and effectiveness in securing planning obligations. The publication and consultation costs can be met from the Spatial Planning budget.

Whereas it is not a direct implication of amending the SPD, it should be noted that the tariff is an important potential source of funding to assist with key infrastructure projects that are included in the Council's Capital Programme. The tariff is not a panacea for infrastructure funding, and is difficult to predict in that it relies upon an adequate number of financially viable developments coming forward to be able to generate the contributions. During times of economic downturn, such as at present, developments may struggle to meet even relatively modest planning obligations, as has been evidenced by the Council's own development viability work and the experience of planning case officers during 2009. Clearly if development is unviable then no tariff payment will be received, and so it is in the Council's interests to take an approach which enables contributions to be made, even if this is at a level lower than would be sought if development was viable.

It is for this reason that the report recommends the continuation and extension of market recovery measures, including discounts on the tariff where the case for this is proven through viability appraisal. Were all expected development in 2010/11 to be viable at full tariff levels, then a total contribution of £1.2m or more may be expected. However, evidence suggests that little of that development would be viable, and indeed that quite radical market recovery

measures are required to secure viable development and tariff. Para 4.8 of the report identifies that the measures proposed may assist businesses overall to the value of about £600,000, suggesting that the Council may secure in the order of £600,000 contributions to infrastructure.

Notwithstanding these points, it is considered that the proposed market recovery measures offer the best prospect of securing tariff contributions in 2010/11.

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### **Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

The LDF directly supports the promotion of community safety through the provision of policies to influence the design and nature of physical development.

The SPD will help to implement the LDF Core Strategy, which was subject to Equality Impact Assessment.

The main risks associated with introducing the SPD are:

- Impact on land values, with potential reduction in development sites coming forward in current economic downturn. This risk is being managed through the market recovery measures set out in the report.
- Impact on development viability, given the extent of developer contributions sought. The risk is likely to be greatest in relation to sites of 15 or more units, given the need for these developments also to provide affordable housing. This risk is being managed through the market recovery measures and the approved framework for prioritisation of planning obligations as set out in the report to the City Council on 1 December 2008.
- Impact on infrastructure providers, given that in current economic conditions it may be difficult to meet all identified planning obligation needs. This risk is being managed by implementation of the approved framework for prioritisation of planning obligations as set out in the report to the City Council on 1 December 2008.

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### **Recommendations & Reasons for recommended action:**

It is recommended that the Cabinet:

- 1 Approve the amended Planning Obligations & Affordable Housing Supplementary Planning Document (Consultation Draft) for the purposes of public consultation and as a material consideration in the determination of planning applications.

**Reason:** To ensure that the Planning Obligations process is as efficient and effective as possible, having regard to current market conditions.

- 2 Resolve that the market recovery scheme as set out in Section 4 of the officer's report be enacted in relation to planning applications validly submitted between 1 January 2010 and 31 March 2011.

**Reason:** To respond to the continuing adverse market conditions and enable Plymouth's economy to move forward quickly as the economic recovery starts.

- 3 Delegate authority to the Assistant Director of Development (Planning Services) to approve the final publication version of the consultation draft Supplementary Planning Document.

**Reason:** To ensure that the SPD is produced in a user-friendly format with appropriate illustrations and formatting.

- 4 Instruct the officers to refer the final version of the amended SPD to Cabinet and then a meeting of Full Council for adoption, following the completion of the consultation process.

**Reason:** To formally adopt the SPD in accordance with legal requirements.

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**Alternative options considered and reasons for recommended action:**

One alternative would be to defer any review of the SPD until the Council has determined whether it wishes to move into the new Community Infrastructure Levy (CIL) regime, which is now enabled by the Planning Act 2008. The CIL will be a new charge that local planning authorities may decide to levy on development in order to help fund strategic infrastructure. In this sense, it has similarities to the tariff regime currently used by the Council. However, the regime itself does have some significant differences (e.g. it is less flexible than a tariff regime) and requires significant further work to be able to set the levy. Additionally, the new CIL regime will not come into force until April 2010. This alternative is therefore not recommended because some relatively minor amendments to the current SPD are required now in order to enhance its effectiveness and efficiency.

Another alternative would be to not extend market recovery measures. However, it is clear that the state of the development market in Plymouth is fragile and at least one further year of proactive measures is justified on economic grounds.

**Background papers:**

LDF Local Development Scheme

LDF Core Strategy, adopted April 2007

LDF Planning Obligations & Affordable Housing SPD, adopted December 2008

Market Recovery Action Plan December 2008

LDF and Planning Obligations & Affordable Housing SPD evidence base documents

**Sign off:** comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert initials of Finance and Legal reps, and of Heads of HR, AM, IT and Strat. Proc.):

|  |                       |     |                |    |         |              |         |    |         |               |     |
|--|-----------------------|-----|----------------|----|---------|--------------|---------|----|---------|---------------|-----|
| Fin  | EM<br>DevF9100<br>057 | Leg | JAR/09/1<br>12 | HR | N/<br>A | Corp<br>Prop | N/<br>A | IT | N/<br>A | Strat<br>Proc | N/A |
| Originating SMT Member Paul Barnard, Assistant Director of Development (Planning Services) |                       |     |                |    |         |              |         |    |         |               |     |

## **1. BACKGROUND**

- 1.1 The Planning Obligations and Affordable Housing Supplementary Planning Document (SPD) was adopted by the City Council on 1 December 2008. It sets the framework for the City Council to negotiate and secure planning obligations for infrastructure and affordable housing.
- 1.2 The SPD was adopted alongside market recovery measures in response to the adverse economic climate. These measures were put in place for the calendar year of 2009 and included a scheme of discounts on planning obligation requirements subject to certain conditions regarding delivery of the planning permission. In addition, at the same time, the Assistant Director of Development (Planning Services) published a 10-point Market Recovery Action Plan which amongst other things sought to incentivise developers to progress development schemes during the recession and included a call to developers to submit sites for consideration as part of this process.
- 1.3 At the time of the SPD's adoption, it was agreed that a process of annual review would be instigated. This process will normally be conducted as part of the Local Development Framework (LDF) Annual Monitoring Report regime. However, for this first review it is considered important to take the opportunity to amend the SPD having had the experience of practical use of the document in the planning application process for the best part of a year. Amendments to the document are a matter for the Cabinet and ultimately must be formally adopted by a full meeting of the City Council.

## **2. THE REVIEW PROCESS**

- 2.1 There have been several elements to the review process:
  1. Workshops have been held with the planning officers and one was arranged also for Planning Committee as key operators of the SPD. The aim being to identify any matters that need clarification, simplification or amendment.
  2. A workshop has been held with the Planning Services customer forums (Plymouth Regeneration Forum and Local Agents Forum).
  3. Additional evidence base work has been undertaken to enhance our understanding of infrastructure needs associated with the Growth agenda and economic viability issues.
  4. General monitoring of development activity.
- 2.2 The main issues arising through the user and customer consultations include:
  1. Simplification of the document by removing unnecessary text and publishing all evidence base work in a separate document.



2. Clarification of the document by identifying the planning obligation requirements by Use Class, and making clearer the approach to be taken for particular kinds of development, such as student housing and care homes.
3. The inclusion of a user-friendly guide to the document.
4. Consideration to be given to the use of a floorspace rather than bed-space based approach to calculating the Planning Tariff for residential development, which would be in line with the way in which developers value developments and provide a simpler and more consistent approach to tariff calculation.
5. Concerns regarding the viability of development given the current level that the Tariff is set, and therefore an emphasis of the need to continue with market recovery measures.
6. Mainstreaming of market recovery measures into the SPD rather than having a separate Market Recovery Action Plan.
7. Inclusion of a protocol to improve the quality of viability information submitted by developers to justify a relaxation of planning obligation requirements.

2.3 In respect of infrastructure, since the original SPD was adopted in December 2008 we have achieved a greater understanding of key infrastructure requirements associated with the Growth agenda. This is still very much a work in progress and so changes to the SPD are not currently required in relation to this work. However, during 2010 the Council will need to consider the new legislation regarding the Community Infrastructure Levy and whether or not to move towards this as a replacement to our tariff-based approach. Our evidence on key infrastructure requirements and costs will be of fundamental importance should the Council resolve to move in this direction. A full review of this matter will be conducted in 2010.

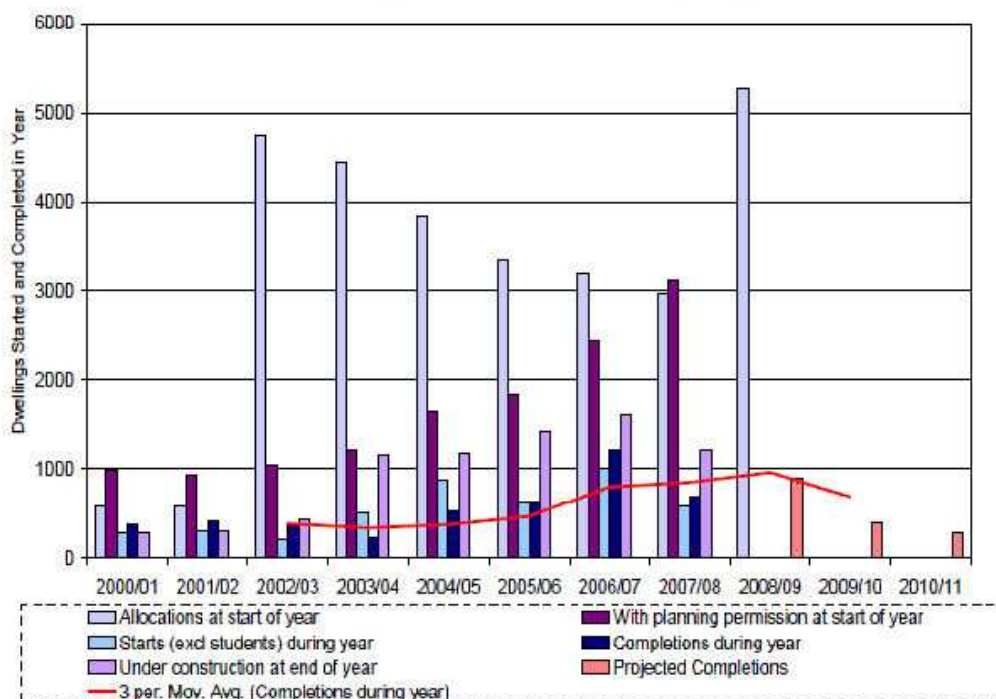
2.4 In respect of economic viability issues, it is clear from the evidence we have produced that viability remains a major obstacle to delivery in Plymouth and therefore it seems imperative that market recovery measures are maintained and perhaps even enhanced. The market recovery measures that we introduced for 2009 have had a positive impact. At the time of writing the scheme has delivered:

- Four planning permissions for schemes providing over 350 new homes, nearly 200 student flats, nearly 8,000 sq.m. of commercial floorspace including 2 hotels.
- A further six schemes either at planning or pre-application stage, providing for over 160 new homes. This includes a scheme of 55 affordable homes reaching Level 5 on the Code for Sustainable Homes.
- A saving to businesses of about £880,000 through discounted tariff.

The Council's approach to market recovery has recently been identified by Alder King as an example of good practice on a national scale.

2.5 In respect of monitoring of development, there has been a significant downturn both in planning and building applications received during 2009, and a significant drop in completions. Dwellings under construction in 2008/09 (644) were about 50% lower than in 2007/08 (1,234). There were in the order of 70% fewer starts in 2008/9 (276) in comparison to 2006/07 (909). See Chart 1 below. In consequence, it is clear that there are still 2 - 3 years to come of relatively low completions, suggesting that the timeframes for delivery of the City's growth aspirations may need to be adjusted accordingly. This is a matter that will be picked up during the next review of the Core Strategy. However, for the purposes of the review of the Planning Obligations and Affordable Housing SPD, it highlights the need to continue with and improve our market recovery measures.

**Chart 1 - Plymouth's housing provision 2000/08 and projected trends to 2011.**



### 3. PROPOSED AMENDMENTS

3.1 The amendments proposed fall into the following categories:

#### 1. Improving the user-friendliness of the document.

- A guide to use of the SPD has been included near the front of the document.
- A chart showing how the SPD applies to each Use Class has been included.
- Text which relates to evidence rather than guidance has been published in a separate evidence base document significantly reducing the size of the SPD by nearly a half.

**2. Clarification of the document.**

- Specific guidance is now included on particular types of development such as student housing and care homes, which form part of wider use classes but justify a different approach.
- Miscellaneous clarifications have been included – e.g. it is now made explicit that the list of Negotiated elements is not fully inclusive; and clarifying the basis of floorspace calculations.

**3. Improving the document's commercial awareness and robustness.**

- Extending the floorspace-based method of calculating tariff to cover residential institutions as well as businesses. It is also suggested that specific questions be raised during the consultation process on whether or not a floorspace based-approach would be appropriate for other forms of residential development.
- Including a protocol which sets out how the Council will consider viability issues and what information it expects to receive from developers who claim viability as an issue in the planning obligation negotiation.
- Introducing more flexibility into the phasing of tariff payments, thus helping with development financing constraints.

**4. Mainstreaming of market recovery measures.**

- Inclusion of a menu of market recovery measures within the SPD, which can be enacted by specific resolution of Cabinet for a specified period of time.
- Identifying three types of measure: (1) measures to encourage early delivery of projects during times of economic downturn; (2) measures to help developers respond quickly to economic recovery by having 'oven-ready' consents; (3) exemptions from the requirement to pay tariff in certain cases.
- 'Early delivery' incentives to include discounts of tariff based on economic viability evidence, including use of clawback mechanisms.
- 'Oven-ready' incentives to include longer planning permissions (up to 7 years) and flexibility in phasing of tariff payments, including use of clawback mechanisms.
- 'Exemptions' could be set in relation to numbers of homes, floorspace of commercial development, or even could include specific development types (e.g. employment units). The SPD already exempts commercial developments of less than 500sq.m. floorspace. For 2009, developments of less than 5 homes were exempt and it is proposed that this continues for 2010/11.

#### **4. MARKET RECOVERY SCHEME**

4.1 The following specific market recovery measures are proposed, taken from the menu included in Appendix 1 of the revised SPD. This will be applicable to validly submitted planning applications between 1 January 2010 and 31 March 2011.

4.2 Measures to encourage early delivery of projects during times of economic downturn:

1. Up to 100 % discount on tariff for development of B1/B2 industrial and office developments
2. Up to 50 % discount on tariff for other development on brownfield sites
3. Up to 25 % discount on tariff for other development on greenfield sites
4. Up to 50 % reduction of the full affordable housing requirement may be considered, together with the possible use of gap funding to support affordable housing delivery.

With the exception of the B1/B2 uses, these are in effect the same measures that were in place during the calendar year of 2009. The higher potential discount for B1/B2 uses is justified on the grounds of economic viability and the urgent need to support employment growth given continuing the fragility of the local and national economy.

4.3 The following conditions must be met to benefit from these discounts / flexibilities:

1. The case for these discounts to be proven through an open book viability appraisal that the development may be unviable under current conditions.
2. Developers must agree to a two-year consent, and to make a substantial start on the approved development within two years of the grant of consent.
3. Substantial start will be defined in the Planning Agreement, but is likely to require the completion of key sections of infrastructure or the substantial completion of the first units.
4. In appropriate cases, consideration will be given to making the consent personal to the applicant.
5. For strategically significant development proposals, where the affordable housing provision is critical to the achievement of the Core Strategy's Affordable Housing target, the Council reserves the right not to agree to a relaxation of the affordable housing requirement.
6. Flexible phasing of payments of the discounted tariff may be considered where this is justified by the financial appraisal, subject to 'clawback' provisions being incorporated as part of the planning agreement.

4.4 Measures to help developers respond quickly to economic recovery by having 'oven-ready' consents:

1. Extended planning permission periods to be considered (up to 7 years).
2. Flexible phasing of payments of planning obligation requirements.

4.5 The following conditions must be met to benefit from these flexibilities:

1. The case for the time extension is to be established through an open book viability appraisal which shows that the development may be unviable under current conditions and that extended permission which includes an assumed improvement in the economy will enhance viability.
2. If actual level of payment is to be determined by end value of development, a 'clawback' mechanism will be needed.

4.6 Exemptions from the requirement to pay tariff in certain cases:

1. No tariff to be charged for developments of less than 5 homes. This is justified on the grounds of encouraging a continuing supply of smaller sites to be brought forward during the ongoing difficult conditions for the residential development sector (NB: The SPD provides that commercial developments of less than 500 sq.m. are also exempt from paying tariff).

This is a continuation of measures that were in place during the calendar year of 2009.

4.7 In addition to these specific measures, flexible and innovative approaches to service-delivery will be adopted, including:

1. Positive approach to deeds of variation to assist with re-phasing of s106 contributions where this is justified by open-book viability appraisal.
2. Improved and quicker pre-application process with opportunity for Council to work with developer on Site Planning Statements to provide clear framework for the planning application.
3. An openness to partnership working to help bring forward planning applications for strategic projects identified through the Local Development Framework.

4.8 It is estimated that these measures will save businesses in the order of £600,000 through discounted tariff. It should be noted however that the discounts will only be given where the case is proven through open book viability appraisal. Clearly if a scheme is unviable it will not be delivered, and therefore the Council is not foregoing tariff in these

circumstances, but merely incentivising investment in Plymouth. This approach should enable the Council to receive a similar sum in tariff received from viable schemes, although the figures must be treated with great caution given the fragile state of economic recovery and the fact that each case must be considered on its own merits.

- 4.9 It should also be noted that the Council, as local planning authority, is not constrained to approve all planning applications which seek a reduced planning obligation even when justified through viability appraisal. It will always be a matter of balancing the benefits of the development (including in relation to the Council's economic growth aspirations) against that which is foregone to enable the development to proceed.

## **5. NEXT STEPS**

- 5.1 The consultation draft SPD will be able to be used as a material consideration in the consideration of planning applications but it will not take precedence over the December 2008 SPD until it is formally adopted.
- 5.2 Subject to Cabinet approval the SPD will be the subject of a statutory four-six week consultation period. A programme of consultation will be developed, which will include use of the Planning Services' extensive consultation database as well as use of customer forums such as Plymouth Regeneration Forum and the Local Agents Forum and community networks.
- 5.3 The SPD will be amended, if necessary, following this process of community consultation, with a view to its formal adoption by Full Council in Spring / Summer 2010.

# **Planning Obligations and Affordable Housing SPD: Draft Revisions, December 2009**

## **1 Introduction**

### **Purpose of the SPD**

1.1 This Supplementary Planning Document (SPD) sets out the City Council's approach to planning obligations and affordable housing when considering planning applications for development in Plymouth. New development has a cumulative impact on infrastructure and often creates a need for additional or improved community services and facilities without which the development could have an adverse effect upon amenity, safety, or the environment.

1.2 The objective of the SPD is to provide clarity to developers, planners, stakeholders and local residents regarding the basis on which planning obligations and affordable housing will be sought. It will assist in implementing local objectives in respect of the provision of sustainable development across the city by contributing towards the delivery of the Plymouth Adopted Core Strategy.

1.3 The SPD provides further, more detailed policy guidance to supplement the Core Strategy, for all those involved in the submission and determination of those planning applications where planning obligations will be required. It also details the type of obligations that may be required, thresholds where appropriate and indicates the relative importance that the Council might place on the varying types of obligation in different parts of Plymouth. Specific information on formulae and how contributions have been calculated are contained in a separate evidence base document.

1.4 In order to speed up the planning process and to assist applicants, model heads of terms for S106 agreements and unilateral undertakings are available on request or on the Council's website.

1.5 The SPD will form part of the package of Local Development Documents (LDDs) which comprise the Plymouth Local Development Framework (LDF), required under the Planning and Compulsory Purchase Act 2004. It will assist the Council in securing local, sub-regional, regional and national objectives in respect of sustainable development.

### **Status of the SPD in the decision making process**

1.6 The SPD forms part of the LDF and will be one of a number of documents constituting important material considerations in the determination of planning applications.

### **Implementation of the SPD**

1.7 The SPD will be monitored closely, and updated where appropriate, to respond to evidence relating to the delivery of key infrastructure for the growth of Plymouth and the improvement of neighbourhoods.

1.8 In addition, where there is robust evidence of market failure in relation to delivery of development, the Council may introduce temporary measures to stimulate the market's recovery. The Council will select the most appropriate measures from the 'menu' set out in Appendix 1. The measures will be enacted by resolution of the City Council's Cabinet and clearly publicised at the time.

### **National Policy Context**

1.9 Circular 05/2005 provides detailed advice in respect of the use of planning obligations to deal with the direct impacts of development. The circular appreciates that the planning system operates in the public interest and should aim to foster sustainable development, providing homes, investment and jobs in a manner which positively intervenes in the quality and condition of the physical and built

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environment. The Secretary of State's policy requires that planning obligations should only be sought where they meet all the following policy tests. The tests state that the obligations must be:

1. relevant to planning;
2. necessary to make the proposed development acceptable in planning terms;
3. directly related to the proposed development;
4. fairly and reasonably related in scale and kind to the proposed development;
5. reasonable in all other respects.

**1.10** PPS1 requires Planning Authorities to ensure that social inclusion, economic development, environmental protection and the prudent use of resources are at the forefront of policy making and implementation. These considerations have formed an important element of producing this draft document.

**1.11** Recent planning legislation proposes that Local Authorities should have the option of introducing a Community Infrastructure Levy (CIL), which as with the tariff-based approach in this SPD, will be a standard charge on development to pay for infrastructure to support development of an area. Although the CIL is not expected to be enacted until Spring 2010, the Government is encouraging authorities which have embarked upon this approach to continue and not to wait until legislation for the CIL is in place.

## Local Policy Context

**1.12** The Core Strategy sets out the policy framework for planning obligations and affordable housing. Policy CS33 of the Core Strategy below sets out the Council's policy on planning obligations.

### Policy 1

#### Community Benefits/Planning Obligations - CS33

Where needs arise directly as a result of development, the Council will seek to secure planning obligations or agreements pursuant to Section 106 of the Town and Country Planning Act 1990 that makes a positive contribution to creating a city of sustainable linked communities. Through such obligations and agreements, the Council will seek to ensure that development proposals:

1. Meet the reasonable cost of new infrastructure made necessary by the proposal, including transport, utilities, education, community facilities, health, leisure and waste management.
2. Where appropriate, contribute to the delivery of strategic infrastructure to enable the cumulative impacts of developments to be managed in a sustainable and effective way and support the delivery of the City Vision.
3. Offset the loss of any significant amenity or resource through compensatory provision elsewhere.
4. Provide for the ongoing maintenance of facilities provided as a result of the development.

**1.13** This SPD provides further detail on the implementation of this policy. The Core Strategy sets out a wide range of matters that will be covered by planning obligations, including:

- Affordable housing
- Education provision
- Community facilities and community safety
- Local labour and training initiatives
- Commuted payments for maintenance of facilities provided
- Highway infrastructure
- Pedestrian, cycle way, and public transport initiatives
- Nature conservation and wildlife mitigation measures, including in relation to the coastal environment
- Public art
- Public realm provision
- Recreation provision, including public open space, play and sports provision
- Offsetting carbon emissions through contributions to renewable energy or energy efficiency schemes / measures.



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**1.14** This list of planning obligation types has been used as the starting point for this SPD and has not been considered definitive.

**1.15** The Core Strategy also provides the policy context for affordable housing across the City. The Policy below sets out the requirement for affordable housing:

## Policy 2

### Overall Housing Provision - CS15

At least 10,000 new dwellings will be built in the plan area by 2016 and at least 17,250 by 2021, of which at least 3,300 will be affordable being delivered through the planning system. They will include a mix of dwellings types, size and tenure, to meet the needs of Plymouth's current and future population. In relation to private sector developments on qualifying developments of 15 dwellings or more, at least 30% of the total number of dwellings should be affordable homes, to be provided on site without public grant (subject to viability assessment). In addition:

1. Affordable housing development will: be indistinguishable from other development on the site, reflect the type and size of the development as a whole, incorporate a mix of tenures including social rented accommodation.
2. Off site provision or commuted payments for affordable housing will be acceptable provided it is robustly justified and contributes to the creation of balanced, mixed and sustainable communities.
3. Conversions of existing properties into flats or houses in multiple occupation will be permitted only where the gross floor area of the property is more than 115sq.m., where the accommodation provided is of a decent standard, and where it will not harm the character of the area having regard to the existing number of converted and non-family dwellings in the vicinity.
4. 20% of all new dwellings will be built to "Lifetime Homes" standard.
5. All new dwellings must be of sufficient size to provide satisfactory levels of amenity for future occupiers and respect the privacy and amenity of existing occupiers

**1.16** Affordable housing is one of the most important issues to be addressed through the LDF and one of the greatest determining factors on the development viability of a development site. For more information on Affordable Housing please turn to section 3.

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## 2 Planning Obligation Framework

2.1 The Council's is proposing a tariff-led approach to the negotiation of planning obligations. The Plymouth Development Tariff will be applicable for most small developments. Larger development will also be subject to an additional Negotiated Elements. In summary the planning obligation approach will be conducted in two primary ways dependant on the size of the development:

1. The Plymouth Development Tariff -The Council will seek contributions from residential developments of one dwelling or more, including houses of multiple occupancy (HMOs) and all commercial, retail, hotel, leisure, student housing and residential institution development from 500 sq m (gross) by the means of the Plymouth Development Tariff. The Tariff is a standard charge to secure contributions in a clear, efficient and transparent way. Contributions will be secured through the use of standard S106 agreements or unilateral undertakings
2. The Negotiated Element -The Plymouth Development Tariff is not able to cover every impact that may need to be addressed through a planning obligation. Where this is the case, for example in relation to affordable housing or delivering specific access arrangements to a development site, a negotiation or unilateral undertaking on those elements may be required. This will usually be related to larger residential and commercial developments.

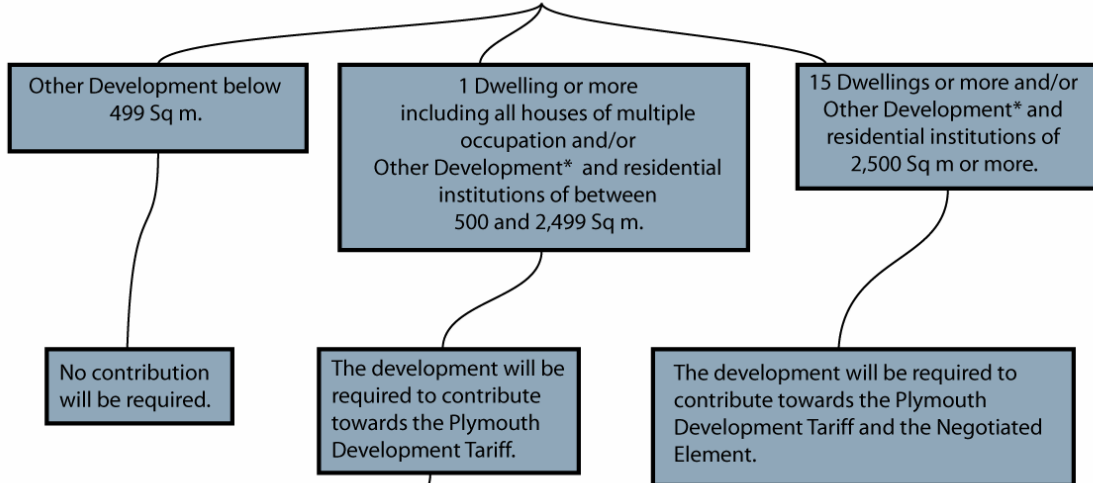
### Market Recovery Schemes

Applicants should check with the Council whether any Market Recovery schemes are in place at the time of the applications which affects the level of tariff and planning obligations required. Please refer to Appendix 1 in the first instance.

2.2 The flow diagram overleaf illustrates the main process for calculating contributions. It seeks to answer several general questions. These include:

- what size of development is required to pay the Plymouth Development Tariff?
- what size of development is required to pay the additional Negotiated Element?
- what contributions will be required for each approach? (by Use Classes)
- are there any potential exemptions?
- does the Council have any Market Recovery schemes in place at the present time?
- how much will the contributions required through each approach be?

**What size is the proposed development?**



**What contributions will be required?**

| Plymouth Development Tariff  |  | Negotiated Element   |   |
|--|--|--|---|
| Residential Development Including Use Classes C2 and C3.   | Commercial Development Including Use Classes A1, A2, A3, A4, A5, B1, B2, B3, C1, D2 and Sui Generis. | Residential Development Including Use Classes C2 and C3.   | Commercial Development Including Use Classes A1, A2, A3, A4, A5, B1, B2, B3, C1, D2 and Sui Generis.  |
| Education<br>Libraries<br>Health<br>Green Space and Children's Play Space<br>Sport and Recreation<br>Transport<br>Public Realm | Transport  | Affordable housing<br>Transport / on site and local access<br>Community Facilities (museums, community, culture and youth)<br>Economic Development<br>Offsetting Carbon Targets<br>Other | Transport / local access arrangements<br>Economic Development<br>Offsetting Carbon Targets<br>Strategic Natural Environment (Leisure and Marine uses only)<br>Other |

Particular Exemptions can apply to specific Use Classes, check paragraph 2.8 for details.

Particular Exemptions do apply to specific Use Classes, check paragraph 2.39 for details.

Applicants should check with the Council whether any market recovery schemes are in place at the time of the application, which effect tariff payments and planning obligations.

**What are the level of contributions required?**

Under the Plymouth Development Tariff please input your development into the main table to identify the likely tariff cost. For more information on how contributions have been calculated please refer to the separate evidence base document.

Under the Negotiated Element, please refer to the separate evidence base document and commence discussions with the Council to determine the contribution for each aspect of the negotiated element applicable for your proposed development.

\*See paragraph 2.10 for a full definition of other development

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## **The Plymouth Development Tariff**

2.3 The Plymouth Development Tariff is a fixed standard charge, calculated on a dwelling size or gross floorspace (sq m) basis. It is considered that the tariff provides a greater clarity and certainty for the development industry whilst securing valuable contributions to mitigate the impact of new development and support the City's objective of developing in a sustainable way. This section sets out the detail of the Plymouth Development Tariff. Specifically, it identifies:

- what the tariff contributes towards;
- what developments may be required to contribute in a tariff basis;
- the level of contribution developments may be required to make;

### **What does the tariff contribute towards?**

2.4 The Plymouth Development Tariff includes contributions towards the following planning obligation areas:

- Education;
- Health;
- Libraries;
- Green Space and Children's Play Space;
- Sport and Recreation;
- Transport;
- Public Realm.

2.5 In the future the Council may expand the list of contributions included in the Plymouth Development Tariff:

### **What developments may be required to contribute in a tariff basis?**

2.6 The Plymouth Development Tariff will affect all new developments with a net increase in dwellings or floorspace size, including conversions and redevelopment. The thresholds for the Plymouth Development Tariff are:

- Residential developments of one dwelling or more:
- Houses of multiple occupancy and student housing of one bed space or more;
- Residential institutions of 500 sq m or more;
- Other developments including commercial, retail, hotel, leisure or *sui generis* development of 500 sq m or more gross floorspace.
- These thresholds may be varied from time to time as part of Market Recovery Schemes (see Appendix 1). Market Recovery Schemes in place will be publicised on the Council's website.

2.7 The full tariff will not be applied to affordable housing units. Affordable housing will only be required to contribute to strategic transport infrastructure. Affordable housing is primarily required to meet the housing needs of the existing population and the greater community benefit is considered to outweigh the potential loss of other contributions. In the case of transport, the impacts are property specific as well as population specific and hence it is proposed that the tariff still apply to affordable housing units in this instance.

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| <b>Planning Obligations Covered by the Plymouth Development Tariff</b>                           |  |
|--|--|
| <b>Residential Development<br/>Including Use Classes C2 (Residential<br/>Institution) and C3</b> | <b>Other Development<br/>Including Use Classes A1, A2, A3, A4, A5,<br/>B1, B2, B3, C1, D2 and <i>Sui Generis</i></b> |
| Education  | Transport  |
| Libraries  |  |
| Health   |  |
| Green Space and Children's Play Space  |  |
| Sport and Recreation   |  |
| Transport  |  |
| Public Realm   |  |

**2.8** The Table identifies potential contributions by the Use Classes Order. This defines development into broad groups by their specific use. A full definition of the Use Classes Order and how different types of development are classified is set out in Appendix 3. It must be noted that there are some exemptions, these include:

- One bedroom dwellings, including sheltered housing and all student housing (C3) will not be required to contribute towards education.
- Residential institutions, including private care homes (C2) will not be required to contribute towards education.
- All C2 developments will potentially need to pay the Plymouth Development Tariff, however the specific nature of the development could potentially result in certain elements of the tariff being exempt. This will be determined at the Council's discretion on a case by case basis.
- All D1 non residential Institutions are exempt from the Plymouth Development Tariff, due to the overall community benefit of the use.
- Affordable housing will only be required to contribute towards strategic transport Infrastructure.

**2.9** It must be noted that applications will be considered on the total dwelling number and sq m proposed in the application, therefore an employment application of multiple small business units of less than 500 sq m would be considered basis on the cumulative total of the development rather than the component parts.

## **How much will the tariff cost per residential dwelling and commercial sq m?**

**2.10** The main table overleaf sets out the cost of the Plymouth Development Tariff per residential dwelling bedroom, houses of multiple occupancy (HMO), including all student housing and per sq m of residential institutions and all other development floorspace. The other development category includes all employment uses including Use Classes A, B, C1, C2, D2 and *Sui Generis*. The threshold of 500 sq m. is set to support the growth of small businesses in the city. The cost per residential dwelling varies by dwelling size to reflect the increase in household size and therefore the likely increased impact of greater population generation.

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**2.11** To calculate the level of tariff, developers should simply input the number and size of residential units, HMO bedroom spaces (including student housing) and/or the amount of commercial or non residential floorspace within the development into the Table, to identify the value of the Plymouth Development Tariff Charge.

**2.12** The Tariff Table overleaf can be used to identify the cost of the Plymouth Development Tariff.

| <b>Tariff Table :Standard Contributions</b>  |   |                      |                       |                   |                   |                       |                                    |                            |  |
|--|---|----------------------|-----------------------|-------------------|-------------------|-----------------------|------------------------------------|----------------------------|--|
| <b>(NB: Applicants should check with the Council if any discounts or flexible arrangements are available as part of enacted market recovery schemes – see para 1.8 and Appendix 1)</b> |   |                      |                       |                   |                   |                       |                                    |                            |  |
| Development Size/<br>Enter no of units or<br>square metres *   | Number of Units/ Bed Spaces   |                      |                       |                   |                   |                       | Square Metres                      |                            |  |
|  | 1<br>bedroom<br>unit  | 2<br>bedroom<br>flat | 2<br>bedroom<br>house | 3 bedroom<br>unit | 4 bedroom<br>unit | 5+<br>bedroom<br>unit | Per HMO or<br>student bed<br>space | Per<br>Retail#<br>100 Sq m | Per Commercial or<br>Residential institution<br>@ 100 Sq m |
| Children's Services<br>(Schools)   | £0  | £1,675               | £1,675                | £2,168            | £2,463            | £2,463                | £0                                 | £0                         | £0   |
| Health   | £222  | £310                 | £408                  | £437              | £475              | £522                  | £167                               | £0                         | £0   |
| Libraries  | £112  | £156                 | £206                  | £226              | £238              | £263                  | £84                                | £0                         | £0   |
| Green Space, Natural<br>Environment and<br>Children's Play Space   | £1,302  | £1,821               | £2,398                | £2,565            | £2,790            | £3,064                | £979                               | £0                         | £0   |
| Recreation and Sport   | £1,047  | £1,464               | £1,929                | £2,062            | £2,244            | £2,464                | £619                               | £0                         | £0   |
| Public Realm   | £55   | £77                  | £102                  | £109              | £119              | £130                  | £41                                | £0                         | £0   |
| Transport  | £2,871  | £3,589               | £3,589                | £4,307            | £5,025            | £5,743                | £2,208                             | £5,606                     | £2,189   |
| <b>SUB TOTAL (TARIFF<br/>PER DEVELOPMENT<br/>UNIT/SQ M)</b>  | <b>£5,609</b>   | <b>£9,092</b>        | <b>£10,307</b>        | <b>£11,874</b>    | <b>£13,354</b>    | <b>£14,649</b>        | <b>£4,098</b>                      | <b>£5,606</b>              | <b>£2,189</b>  |
| Management fee   | Cost per sq.m. net floorspace (reviewed annually and published in Planning Service's Fees Policy; applies to all Section 106 Agreements), See para. 4.20        |                      |                       |                   |                   |                       |                                    |                            |  |
| <b>TOTAL DEVELOPER<br/>CONTRIBUTION</b>  | Total tariff + Management fee.<br>A calculator table can be found on the City Council's website at <a href="http://www.plymouth.gov.uk">www.plymouth.gov.uk</a> |                      |                       |                   |                   |                       |                                    |                            |  |

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**2.13** In the case of conversions, the net increase of dwellings, bedrooms or floorspace will be used; e.g. the conversion of a 5 bed house into 3 two bed flats would result in:

3 x 2 bed flats (£9,547 x 3) = £28,641  
1 x 5 bed house = £15,381  
So, £28,641 - £15,381 = A contribution of £13,260

**2.14** In other cases involving conversions or redevelopments a similar approach based on bedrooms or floorspace will apply. In the case of conversion of a 3 bed house into the student accommodation providing provision for 5 bed rooms would result in:

5 x HMO bedroom (£6,550 x 3) = £19,650  
1 x 3 bed house = £11,873  
So, £19,650 - £11,873 = A contribution of £7,777

**2.15** The following paragraphs will take each planning obligation matter in turn setting out justification for their inclusion within the Plymouth Development Tariff. More information on the setting of tariff levels in relation to these matters can be found in the Planning Obligations Evidence Document to this SPD.

## Education and Children's Services

**2.16** Children's Services infrastructure is an integral part of new residential development and is an important element in achieving sustainable communities. The justification for requiring obligations in respect of educational facilities is set out in Circular 05/2005 (Para B15), which identifies that "if a proposed development would give rise to the need for additional or expanded infrastructure which is necessary in planning terms and not provided for in the application it might be acceptable for contributions to be sought towards this additional provision through a planning obligation".

**2.17** It is the Council's vision to ensure the highest quality opportunities exist in education, learning and training, improving school performance and raising aspirations and standards of achievement for all age groups. The Core Strategy sets a spatial planning framework for education which will support positive improvements to provision outlined in the School Implementation Plan 2005 – 2015 to achieve the city's vision.

## Libraries

**2.18** New developments impose extra costs on the service providers at a time when resources are stretched. Central Government has made it clear in various policy guidance that the community at large should not suffer as a result of new development proposals and that it is therefore reasonable to expect developers to contribute towards the costs of community infrastructure where the need for those facilities arises directly from the development.

**2.19** Government Circular 05/05 "Planning Obligations" paragraph. B15 is concerned with using planning obligations to mitigate the impact of a development. The paragraph states that: "Where a proposed development would, if implemented, create a need for a particular facility that is relevant to planning but cannot be required through the use of planning conditions it will usually be reasonable for planning obligations to be secured to meet this need".

**2.20** The Core Strategy's Strategic Objective 2, amongst other matters, seeks to create "sustainable linked communities - where people enjoy living and where the full range of local services and facilities are provided". It also seeks to provide "exceptional shopping, cultural, and health facilities". The Core Strategy Objective 8, seeks "To facilitate the creation of Plymouth as a vibrant waterfront city with a thriving cultural and leisure sector and a diverse, safe, balanced and socially inclusive evening / night economy. This will be achieved by: Establishing and promoting one or more sustainable cultural quarters as centres for arts, culture and entertainment for the city."

## Health

**2.21** The Council recognises the social benefits of the provision of excellent medical and health facilities to the community. There is a logical link between increases in the population generated by new development and a corresponding increase in health demands.

**2.22** Government guidance as contained within Circular 05/2005 "Planning Obligations" clarifies policy stating that "if a proposed development would give rise to the need for additional or expanded



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community infrastructure...which is necessary in planning terms and not provided for in an application, it might be acceptable for contributions to be sought towards this additional provision through a planning obligation.”

**2.23** The Core Strategy's Strategic Objective 15; Delivering Community Well-being, focuses on improving the city's healthcare facilities and ensuring that the potential health impacts of development are identified and addressed at an early stage in the planning process.

## **Green Space and Children's Play Space**

**2.24** The justification for requiring obligations is set out in Circular 05/2005 (Para B15) and Planning Policy Guidance Note 17: Open Space, Sport and Recreation (2002) which states “Planning obligations should be used where appropriate to seek increased provision of open spaces and local sports and recreational facilities, and the enhancement of existing facilities” (Para 23).

**2.25** The justification and policy context for seeking contributions towards the natural environment is provided by Planning Policy Statement 9 ‘Biodiversity and Geological Conservation’ and ODPM Circular 06/2005. PPS9 establishes six ‘key principles’ to ensure that the potential impacts of planning decisions on biodiversity are fully considered. Circular 06/2005 complements PPS9 by providing detailed guidance on the protection of designated nature conservation sites and protected species by the planning system. As a waterfront city, the coastal and estuaries environment is also a critical aspect of Plymouth's ‘green’ resource. The Tamar Estuaries Complex is recognised as being of European importance for the bio-diversity that it supports. It is designated as a Special Area of Conservation (SAC) and parts are also designated as a Special Protection Area (SPA).

**2.26** The requirement for planning obligations is further supported by Core Strategy Policy CS30 which states “New residential development will be required to make appropriate provision for sport, recreation, open space and children's play to meet the needs of the development”. Additionally, Core Strategy -Strategic Objective 11: Delivering a Sustainable Environment, and Policy CS19, note the importance of supporting a richness of biological and geological diversity, underpinning the creation of sustainable neighbourhoods.

## **Sport and Recreation**

**2.27** The justification for requiring obligations is set out in Circular 05/2005 (Para B15) and Planning Policy Guidance Note 17: Open Space, Sport and Recreation (2002). This states that “Planning obligations should be used where appropriate to seek increased provision of open spaces and local sports and recreational facilities, and the enhancement of existing facilities” (Para 23).

**2.28** The requirement for planning obligations is further supported by Core Strategy Policy CS30, which states that “New residential development will be required to make appropriate provision for sport, recreation, open space and children's play to meet the needs of the development”.

## **Transport**

**2.29** Overall traffic levels in Plymouth have increased over the last decade, leading to increased congestion and a range of associated problems such as increased air pollution, noise impacts and visual intrusion. New developments generate additional trips to and from the site across the city, which can add pressure to roads, public transport facilities and pedestrian and cycle routes, resulting in additional problems if measures are not taken to address the impact of new developments. The Council will therefore seek planning obligations to ensure that the transport impacts of new developments are mitigated.

**2.30** Planning Policy Guidance Note 13 ‘Transport’ and Circular 05/2005 provide the justification to seek planning obligations for transport. PPG13 states that “planning obligations should be based around securing improved accessibility to sites by all modes with the emphasis on achieving the greatest degree of access by public transport, walking and cycling. Works such as new access roads, improved junction layouts, extra car parking facilities, contributions to improving public transport accessibility and improved measures for cyclists/pedestrians may be appropriately dealt with as planning obligations in accordance with Circular 05/05”.

**2.31** The Core Strategy Policy CS28 sets out the Council's approach to Transport Infrastructure. It states that development should where appropriate:

- Contribute to improved public transport provision and the development of new interchanges on the High Quality Public Transport network;
- Support safe and convenient pedestrian, cycling and road traffic movement;
- Provide proactive facilities and measures to support sustainable transport modes;

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- Contribute to the progressive introduction of network management technology, to maximise existing and future capacity and investment across all transport modes;
- And to reduce congestion and delay for the benefit of business and domestic travellers alike;
- Actively promote green travel plans.

## Public Realm

**2.32** Planning Policy Statement 1 'Delivering Sustainable Development' emphasises the importance of creating developments which have well-planned public spaces. This can incorporate buildings and streets. To this end, the Department of Transport's 'Manual for Streets' 2007 provides a comprehensive guide to putting well designed streets at the heart of sustainable communities. Planning obligations may be utilised to shape the nature of the development, or mitigate or compensate for impacts of the development, to ensure that a high standard of design is achieved in the public realm.

**2.33** This is further supported by Planning Policy Statement 6: Planning for Town Centres (March 2005) which seeks to promote high quality design, improve the quality of the public realm and protect and enhance the architectural and historic heritage of centres. Due regard should be taken of any design codes that may have been adopted by the Local Authority for particular sites or areas.

**2.34** Core Strategy Policy CS34 states that "The Council will seek development that performs well against all relevant considerations including: Incorporates public spaces, landscaping, public art and 'designing out crime' initiatives". Plymouth Local Strategic Partnership's "A Vision for Plymouth" and the Local Development Framework's Area Action Plans provide a context for promoting policies and proposals that will benefit the future viability and vitality of the city's public realm. The Core Strategy emphasises the critical importance of the city centre to the overall vision for Plymouth, and identifies improvements to public realm as a key issue. Contributions from development across the city will be used to assist in delivering public realm improvements within the time scales of the AAPs.

## The Negotiated Element

**2.35** This section sets out the detail of the Negotiated Element. Specifically it identifies:

- additional planning obligation matters that developments may need to contribute towards;
- what large developments may be required to contribute;
- how are affordable housing contributions calculated.

## What planning obligation matters do developments contribute towards?

**2.36** In addition to the requirements of the Plymouth Development Tariff, there may also need to be additional elements to the planning obligation for larger developments. The Negotiated Element can include a variety of planning obligation areas dependent on the specific development and its impact. The following list illustrates likely contribution areas, but is not fully inclusive:

- Community Facilities (museums, community facilities and cultural initiatives)
- Economic Development
- Offsetting Carbon Targets
- Nature Conservation
- Transport
- Other

## What large developments may be required to contribute?

**2.37** Except where specified in this section, the Negotiated Element applies to all large developments of:

- 15 or more residential dwellings (Use Classes C3);
- 2,500 sq m of residential institution floorspace (Use Classes C2)

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- 2,500 sq m or more of other development floorspace, including commercial, retail, hotel, leisure or *sui generis* floorspace (Use Classes A, B, C1, D2 and *Sui Generis*).

2.38 The Table below identifies a list of matters that may be addressed by the Negotiated Element.

| <b>Planning Obligation Matters covered by the Negotiated Element</b> |  |
|--|--|
| <b>Residential Development<br/>Including Use Classes C2 and C3</b>   | <b>Other Development<br/>Including Use Classes A1, A2, A3, A4, A5,<br/>B1, B2, B3, C1, D2 and <i>Sui Generis</i></b> |
| Affordable housing   | Transport / local access arrangements  |
| Transport / on site and local access                                 | Economic Development   |
| Community Facilities (museums, community, culture and youth)         | Offsetting Carbon Targets  |
| Economic Development   | Strategic Natural Environment (Leisure and Marine uses only)   |
| Offsetting Carbon Targets  | Other  |
| Other  |  |

2.39 It must be noted that there are some exemptions, these include:

- Sheltered Housing and Student Housing (C3) will not be required to provide affordable housing;
- Residential institutions (C2) will not be required to provide affordable housing;
- Commercial development within any Use Classes that do not increase leisure and marine activity will not be required to contribute towards the Strategic Natural Environment.

2.40 The following paragraphs will take each negotiated planning obligation matter in turn setting out justification for their inclusion within the SPD. Affordable housing is considered in section 3 as this also includes an explanation of how affordable housing requirements are calculated. More information can be found in the Planning Obligations Evidence Document to this SPD.

## Transport

2.41 Planning Policy Guidance Note 13 'Transport' and Circular 05/2005 provide the justification to seek planning obligations for transport. PPG13 states that "planning obligations should be based around securing improved accessibility to sites by all modes, with the emphasis on achieving the greatest degree of access by public transport, walking and cycling. Works such as new access roads, improved junction layouts, extra car parking facilities, contributions to improving public transport accessibility and improved measures for cyclists / pedestrians may be appropriately dealt with as planning obligations in accordance with Circular 05/05".

## Economic Development

2.42 Development activity brings capital investment, creates new jobs during construction and new opportunities for employment. Traditionally, the jobs and benefits created by new commercial development have not always been accessible to those local people who need them. The Council

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wishes to maximise the benefits of development by encouraging developers, contractors and subcontractors to participate in voluntary agreements and provide other economic contributions that can positively address social exclusion. Such contributions can ensure the local community is supportive of, and involved with, developments and significantly enhance the long-term economic sustainability of the area.

**2.43** The use of planning obligations is outlined in Government Circular 05/2005 (Planning Obligations) and in PPS1 (Delivering Sustainable Development), which stresses the need for planning to "facilitate and promote sustainable and inclusive patterns of urban and rural development by contributing to sustainable economic development".

### **Community Facilities (museums, community facilities and cultural initiatives)**

**2.44** New developments impose extra costs on the service providers at a time when resources are stretched. Central Government has made it clear in various policy guidance that the community at large should not suffer as a result of new development proposals and that it is therefore reasonable to expect developers to contribute towards the costs of community infrastructure where the need for those facilities arises directly from the development.

**2.45** Government Circular 05/05 "Planning Obligations" (in para. B15) is concerned with using planning obligations to mitigate the impact of a development. The paragraph states that: "Where a proposed development would, if implemented, create a need for a particular facility that is relevant to planning but cannot be required through the use of planning conditions it will usually be reasonable for planning obligations to be secured to meet this need".

**2.46** The Core Strategy Strategic Objective 8 seeks "To facilitate the creation of Plymouth as a vibrant waterfront city with a thriving cultural and leisure sector and a diverse, safe, balanced and socially inclusive evening / night economy. This will be achieved by: Establishing and promoting one or more sustainable cultural quarters as centres for arts, culture and entertainment for the city".

### **Offsetting Carbon Targets**

**2.47** The Government believes that climate change is the greatest long-term challenge facing the world today. Addressing climate change is therefore the principal concern for sustainable development, and it is widely recognised that there is no one solution. Alleviating the problems of climate change and adapting to the challenges it will bring requires new development to adopt cross cutting action spanning a broad range of design topics, and at a range of spatial scales. Many of these actions focus on the need to reduce carbon emissions.

**2.48** The Core Strategy addresses the need for action on climate change and a reduction in CO<sub>2</sub> emissions under the following strategic objectives:

- Strategic Objective 1: To deliver a vision for Plymouth's strategic role within the South West Region, including creating sustainable communities and working towards carbon neutrality;
- Strategic Objective 11: Promoting Renewable Energy and addressing the causes, and potential impacts of climate change.

**2.49** Policy CS20 sets out to encourage an improvement in the energy efficiency of new buildings, and support the use of renewable energy technology by setting standards for onsite CO<sub>2</sub> reduction beyond requirements of current Building Regulations. These are requiring all proposals for non-residential developments exceeding 1,000 square metres of gross floorspace, and new residential developments comprising 10 or more units (whether new build or conversion) to incorporate onsite renewable energy production equipment to off-set at least 10% of predicted carbon emissions for the period up to 2010, rising to 15% for the period 2010-2016.

### **Strategic Natural Environment**

**2.50** Development must contribute positively towards the city's biodiversity and/or geodiversity and it is therefore reasonable to expect developers to contribute towards the protection and enhancement of natural assets on development sites.

**2.51** The justification and policy context for seeking contributions towards the natural environment is provided by Planning Policy Statement 9 'Biodiversity and Geological Conservation' and ODPM Circular 06/2005. PPS9 establishes six 'key principles' to ensure that the potential impacts of planning decisions on biodiversity/geodiversity are fully considered. Circular 06/2005 complements PPS9 by providing detailed guidance on the protection of designated nature conservation sites and

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protection of species by the planning system. A key theme running through the key principles of PPS9 is that planning authorities should not only seek to conserve biodiversity, but also to 'enhance, restore or add to biodiversity interest'.

**2.52** The Core Strategy - Strategic Objective 11 Delivering a Sustainable Environment and Policy CS19 – states the importance of supporting a richness of biological and geological diversity and that this will underpin the creation of sustainable neighbourhoods. These statements recognise the importance of protecting the statutorily designated wildlife interest, but also highlights biodiversity enhancement as a cross cutting opportunity within all development.

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## **3 Affordable Housing**

**3.1** A key element of the Core Strategy is to deliver decent, safe and affordable homes, which are suited to the needs of future occupiers, and located in a community in which they wish to live. Delivering this aspiration forms an important part of the Council's strategy and agenda of creating sustainable, inclusive, mixed communities throughout the city.

**3.2** In 2006, the Council and neighbouring authorities jointly commissioned DCA Consultants to undertake a Housing Market Needs Assessment (HMA). Reports were produced for the sub-region and for each local authority. As one would expect, this showed a variation in the levels of affordability across the sub region, but in all areas the demand for affordable housing far exceeded supply. In Plymouth's case, the annual affordable housing need from existing and concealed households allowing for re-lets, and assumed new supply as identified by the HMA is for 1,468 units, which is greater than the total annual housing provision.

**3.3** Some of the key findings of the HMA in relationship to affordable housing are:

- around 80% of newly forming households are unable to purchase in their own right;
- the affordable property types needed are: 47% houses, 16% bungalows and 37% flats/maisonettes;
- the scale of need could justify the whole affordable housing provision to be rented units;
- affordable housing targets of up to 50% could be justified based upon need, but viability would be affected;
- the need for 1, 2 and 3 bed properties is roughly even, with a small but important need for 4+ bedroom accommodation

**3.4** The provision of new affordable housing through the use of planning obligations and by national bodies and Registered Social Landlords (RSL) provides an essential mechanism to meet this remaining affordable housing demand, in accordance with the Council's objective of ensuring provision of an appropriate mix, type and tenure of housing to meet the needs of Plymouth's residents.

### ***Policy Context***

**3.5** The justification for requiring obligations in respect of affordable housing nationally is set out in Circular 05/2005 (Para B12) and PPS3 Housing. Policy H1 of The Draft Revised Regional Spatial Strategy (RSS) Proposed Changes sets targets, and requires at least 35% of all housing developments annually to be affordable housing across each authority area.

**3.6** This RSS target changed from 30% to 35% during the course of the preparation of the RSS, and has yet to be formally adopted. Policy CS15 of the Core Strategy, requires "at least 30% affordable housing" from all residential developments of 15 or more dwellings.

**3.7** The Plymouth Housing Strategy 2008-2011, and the Plymouth HMA provide the evidence and context for consideration relating to affordable housing matters. Copies of these documents are available to view on the Council's web site: [www.plymouth.gov.uk](http://www.plymouth.gov.uk).

**3.8** The definition of affordable housing based upon PPS3 and as contained within the Core Strategy is:

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable Housing should meet the needs of eligible households, including availability at a cost low enough for them to afford determined with regard to local incomes and local house prices. It should include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

**3.9** National guidance states that affordable housing can include social rented and intermediate housing.

**3.10** Social rented housing is that which is owned and managed by local authorities or RSLs. It can include rented housing owned or managed by others under similar rental arrangements to RSLs. Intermediate Affordable Housing is property above the costs of those of social rent, but below market prices or rent, which meet the other criteria in the definition. This can include shared equity shared ownership, other low cost homes for sale and intermediate rent. Low cost market housing is not within the definition of affordable housing, as it does not address all the criteria within the definition.

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### ***Affordability in Plymouth***

**3.11** PPS3 requires a link between local incomes and property prices to be demonstrated to indicate levels of affordability. The affordability problem in Plymouth, whilst not as severe as in the rest of the HMA and wider sub-region, is nevertheless a serious problem, particularly for those individuals and families seeking to enter the housing market for the first time. **3.12** If one takes the average figures for income and house prices from the same data source, this results in the following affordability levels.

#### **Box A1: Affordability Levels**

Affordable Purchase price = average annual income x 3.5 times lending + 10% deposit  
**£23,370 x 3.5 + £8,179 = £89,974**

Affordable Rental price = 25% of average annual income per month  
**£23,370 x 0.25 / 12 = £ 486**

Source: Strategic Housing Market & Needs Assessment Annual Update 2008/09.

**3.13** The average mean house price in Plymouth for a similar period was £157,046. This gives a ratio of house prices to earnings of 6.7:1, which in relative terms of affordability, is little different from lower quartile levels. A person on average earnings could ill afford to purchase a lower quartile home. Such a person would be likely to be able to benefit from intermediate affordable housing schemes, such as shared ownership. These figures will be subject to annual review for inflation and other market force influences.

**3.14** When considering affordable purchase and rental values, the Council will also consider service charges as part of the total housing cost. The Council will not accept unreasonable service charges that will undermine affordability. Restrictions on the levels of service charges will be written into S106 agreements. An indicative maximum at which service charges would be capped is £553 per annum.

### ***Affordable Housing Thresholds***

**3.15** Planning contributions will be sought from all residential developments of 15 dwellings or more. In these cases, qualifying developments will be required to provide at least 30% affordable housing on site. Only in exceptional cases might a commuted sum be accepted towards the provision of affordable housing on another site.

**3.16** Contributions for affordable housing will not be required from care/nursing homes or student accommodation, where occupation is restricted by planning conditions or legal agreements. Contributions will be required from sheltered housing.

**3.17** The Council will seek to ensure that the spirit of this policy is not avoided by the artificial subdivision of sites resulting in applications below the action threshold, or developments at densities below that which is reasonably achievable on the site. Where such applications are made, it should be anticipated that they would be recommended for refusal.

**3.18** The affordable housing threshold will apply to the total number of dwellings that are being proposed on site. This will be taken as the net figure, so that the number of units that exists on the site will not be taken into account.

### ***On Site Provision***

**3.19** The Core Strategy allows for off-site provision or commuted payments only where this is "robustly justified and contributes to the creation of balanced, mixed and sustainable communities". For example, where it is demonstrated that provision on an alternative site would more strongly meet the Council's sustainable community objectives, this could be acceptable. However, in most cases, the Council will seek on-site provision.

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***Involvement of Registered Social Landlords***

**3.20** The Council strongly prefers all on site affordable housing provision to be provided in conjunction with an RSL. RSLs can secure effective and long-term management of the affordable housing, as well as ensuring the benefits of stair casing are recaptured and recycled into alternative affordable housing provision.

**3.21** There is more than enough evidence of need to justify all affordable housing to be in the form of rented accommodation. However, this could not realistically be delivered through the planning process, nor would it contribute to building balanced communities. A tenure mix of 60:40 will therefore be sought for all affordable housing, split between social renting (60%) and intermediate accommodation (40%), as identified in Para 19.6.14 of the Plymouth Housing Market Needs Assessment.

**3.22** Social rented housing is: 'Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.'

**3.23** Intermediate affordable housing is: 'Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products, other low cost homes for sale and intermediate rent.'

**3.24** The Council would want developers to work in collaboration with its Housing Department and the RSL selected as being the preferred partner to deliver affordable housing on any particular site. The Council has a preferred list of RSLs who are part of the Plymouth Housing Partnership and who are active in the city. Details of the preferred partner RSLs are set out below.

**A1: Preferred RSL Partners**

- Affinity Sutton
- Devon and Cornwall Housing Association
- Guinness Trust
- Hanover Housing Association
- Aster Housing Association
- Sanctuary Housing Association
- Spectrum Housing Association
- Sovereign Housing Association
- Tamar Housing Society
- Tor Homes
- Westcountry Housing Association

**3.25** The Council requires the type and size of affordable housing to reflect the overall type and size of market housing proposed on the development site, but may wish to discuss the provision of other types of affordable property to meet identified local needs. Affordable homes should be spread throughout the development, although on larger sites this can take the form of small clusters of not more than 12 dwellings. Consideration will be given for larger clusters in the case of extra care and sheltered housing.

***Pre Application Discussions***

**3.26** The Council encourages pre-application discussions with regard to planning obligations including affordable housing. Planning Officers and Housing Enabling Officers will normally be in attendance at pre-application and subsequent meetings involving discussions on affordable housing, in an attempt to resolve any outstanding issues.

***Design and Quality Standards***

**3.27** The Council will expect high standards of design, layout and landscaping for all developments, which respect the character of the area and reflect local distinctiveness. To ensure the creation of mixed and integrated communities, the affordable housing should not be visually distinguishable from the market housing on the site in terms of build quality, materials, details, levels of amenity space and privacy.

**3.28** The affordable housing should be tenure blind and fully integrated with the market housing. It should be distributed evenly across the site or, in the case of flats, in small clusters distributed



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evenly throughout the development. Tenure blind integration should be considered at an early stage of the detailed design and layout of the site.

**3.29** All social housing, and intermediate housing requiring Homes and Communities Agency Grant, must be built to meet the relevant Homes and Communities Agency standards. For schemes funded from the National Affordable Housing Programme, these must be built to meet or exceed Homes and Communities Agency's new Design and Quality Standards (April 2007), including required levels of the Code for Sustainable Homes.

**3.30** Developers / RSLs should be aware of the relevant Homes and Communities Agency standards that apply to the development. The latest standards can be downloaded from the Agency's website and its regional offices can provide further clarification.

**3.31** The Council requires affordable housing units to be provided with car, motorcycle and cycle parking spaces in accordance with its standards, and with consideration to the location and accessibility of the site to services and employment.

**3.32** The presumption in planning policy is that affordable housing should be provided without public subsidy. However, subject to viability assessment, public subsidy / Homes and Communities Agency grant may be available on a case by case basis. It should not be assumed that this will be forthcoming for every development. Table A2 overleaf sets out the indicative RSL purchase price for social rented housing. These figures will be updated annually in the LDF Annual Monitoring Report.

**3.33** It is important for developers to have a clear understanding of the likely financial impact of the affordable housing contribution in advance of acquiring land or making a planning application. To provide certainty and clarity, the Council has determined what a RSL can afford to pay for social housing units based on the rental income or sales values for units. This is to ensure that the unit is affordable to the tenant or purchaser, having regard to local incomes.

Table A2; Indicative Purchase Price for Social Rented Housing

| Unit Type / Area                     | 2006/07 Base Figures          |                               | 2007/08 increased by Sept 2006 RPI + 0.5% (4.1%) |                               | 2008/09 increased by Sept 2007 RPI + 0.5% (4.5%) |                               | 2009/10 increased by Sept 2008 RPI + 0.5% (5.5%) |                               | 2010/11 increased by Sept 2009 RPI + 0.5% (-0.9%) |                               |
|--------------------------------------|-------------------------------|-------------------------------|--|-------------------------------|--|-------------------------------|--|-------------------------------|---|-------------------------------|
|                                      | (£) Per unit. Lower Threshold | (£) Per unit. Upper Threshold | (£) Per unit. Lower Threshold                    | (£) Per unit. Upper Threshold | (£) Per unit. Lower Threshold                    | (£) Per unit. Upper Threshold | (£) Per unit. Lower Threshold                    | (£) Per unit. Upper Threshold | (£) Per unit. Lower Threshold                     | (£) Per unit. Upper Threshold |
| 1 bed flat (46m <sup>2</sup> )       | £28,750                       | £36,652                       | £29,929  | £38,155                       | £31,246  | £39,834                       | £32,965  | £42,025                       | £32,668   | £41,647                       |
| 2 bed flat (56-61m <sup>2</sup> )    | £35,500                       | £42,613                       | £36,956  | £44,360                       | £38,582  | £46,312                       | £40,704  | £48,859                       | £40,338   | £48,419                       |
| 2 bed house (72-76m <sup>2</sup> )   | £37,688                       | £46,362                       | £39,233  | £48,263                       | £40,959  | £50,386                       | £43,212  | £53,157                       | £42,823   | £52,679                       |
| 3 bed house (82-86m <sup>2</sup> )   | £44,250                       | £54,106                       | £46,064  | £56,324                       | £48,091  | £58,803                       | £50,736  | £62,037                       | £50,279   | £61,479                       |
| 4 bed house (106-115m <sup>2</sup> ) | £51,375                       | £61,311                       | £53,481  | £63,825                       | £55,835  | £66,633                       | £58,906  | £70,298                       | £58,376   | £69,665                       |

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**3.34** Payments for shared ownership housing will be 50% of Open Market Value (OMV). This methodology has been determined on the basis that no more than 25% of the gross median income level for Plymouth should be spent on housing costs, ensuring affordability. The method for determining OMV is detailed in the Housing Corporation's Capital Funding.

**Note: It may not be possible to provide Affordable Intermediate (including shared ownership) housing in developments of very high value dwellings. Early discussions regarding development details and values with the Council's Enabling and Planning Officers are essential to determine appropriate affordable housing packages in each case.**

***Eligibility***

**3.35** Affordable housing units must be occupied by people in genuine need. People registered on the Plymouth Common Housing register will be eligible for affordable housing provided through the planning system. Key workers in the city are generally earning around or above the average wage for Plymouth. The Council will keep this situation under review and adjust affordable housing requirements accordingly if an affordable need arises.

***Delivery and Future Control***

**3.36** All affordable housing provided through new residential development is required to be secured as affordable and be retained as such for future eligible households. The delivery of affordable housing on site requires 100% of affordable housing to be completed and made available for occupation before 90% of market housing.

**3.37** Where a RSL is not involved in the provision of affordable housing, appropriate planning conditions or planning obligations will be applied to ensure that the benefits of affordability are passed on to subsequent as well as initial occupiers.

***Calculating the Contributions (Off Site Commuted Sums)***

**3.38** Whilst the Council's preferred approach is the provision of affordable housing on site, Box A3 sets out how off site contributions for social rented and shared ownership units will be calculated:

**Box A3: Calculating off site contributions from residential development.**

Social rented unit contribution = Open Market Value minus the appropriate RSL purchase price (See table A2)

Shared ownership unit contribution = 50% of Open Market Value

**3.39** The Plymouth Housing Market is considered to be compact and small enough, with good transport links, to be regarded as a single entity. Financial contributions may be pooled with contributions from other developments to further the delivery of affordable housing anywhere in the city, as appropriate and at the discretion of the Council.

***Monitoring***

**3.40** The Council will monitor the delivery of affordable housing delivered through the planning system, including the number, type and the mix of dwellings provided. It will publish the information annually through the LDF Annual Monitoring Report and the Housing Strategy process.

***Summary of Key Points***

- The annual affordable housing need from existing and concealed households, allowing for re-lets and assumed new supply, is for 1,468 units, which is greater than the total annual housing provision.
- At least 30% affordable housing will be required from all residential developments of 15 or more dwellings.
- Only where robustly justified might a commuted sum be accepted towards the provision of affordable housing on another site.
- A tenure mix of 60:40 will therefore be sought for all affordable housing split between social renting (60%) and intermediate accommodation (40%).
- The presumption in the policy is that affordable housing should be provided without public subsidy.
- The Council will strongly prefer all on site affordable housing provision to be provided in conjunction with an RSL, as agreed with its Housing Department.
- The type and size of affordable housing should generally reflect that of the overall development.

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- The delivery of affordable housing on site requires 100% of affordable housing to be completed and made available for occupation before 90% of market housing.
- Where non viability is claimed, this should be backed up by an “open book” approach. The developer will pay for a valuation by an independent valuer nominated by the Council.
- Key worker is not the same as affordable housing.
- Affordable properties should be indistinguishable from private market housing.

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## 4 The City Council's Approach to the Implementation of Obligations

4.1 The following paragraphs detail the Council's approach to the procedural elements of implementing planning obligation policy.

### ***Pooling of Contributions***

4.2 The collected tariffs will form a pool of contributions which will be used towards service provision. The Core Strategy states that: "It is important that development contributes positively to the city and impacts are appropriately managed. This may include contributing to an infrastructure capital pot to ensure that cumulatively developments deliver solutions to enable the city to grow in a sustainable manner whilst at the same time contributing positively to the City Vision".

4.3 This approach is recommended in Circular 05/2005, which states that "where the combined impact of a number of developments creates the need for infrastructure, it may be reasonable for the associated developers' contributions to be pooled, in order to allow the infrastructure to be secured in a fair and equitable way". To achieve the overall implementation of the Core Strategy, the pooling of contributions should reflect the same timescale. The Council will pool contributions over the 2006 - 2021 period to ensure that the delivery and management of long term infrastructure integral to the future sustainability of the city is not undermined.

### ***Setting Thresholds***

4.4 A threshold is a widely used mechanism for determining which planning applications need to provide contributions to infrastructure and affordable housing. Current national practice on the use of development thresholds is wide ranging. There is however a strong case for limiting the use of thresholds except where there is clear justification. The key principle is that all developments generate requirements that need to be addressed through planning obligation contributions. The impact of one dwelling in a development of a hundred dwellings is the same as a development of a single dwelling.

4.5 Nevertheless, there are two reasons to set a threshold which will assist in the implementation of the Core Strategy. These are:

- to ensure an appropriate balance between securing contributions and achieving regeneration and development objectives;
- to optimise the use of Council resources.

4.5 In simple terms, a low development threshold increases the number of developments requiring section 106 agreements and the resources required to facilitate this process. There is a balance to be achieved between securing contributions and the cost effectiveness of doing so. By combining a number of individual requirements, it becomes financially viable to collect a tariff from individual properties, thereby spreading the burden and increasing resources to deliver public services and facilities.

### ***Threshold Avoidance and Legal Penalties***

4.6 The Council is aware, from experience, that some developers may attempt to avoid a planning obligation by reducing the scale of their proposal to avoid a provision threshold; for example, in terms of the provision of affordable housing. If it is considered that a proposed development is not maximising the use of a site to avoid a threshold, the Council may refuse the application or seek obligations from the developer which reflect the best or full use of the land. In addition, if a potentially large development proposal site has been divided into smaller applications below the threshold, the Council will require, for the purposes of a planning obligation, that all the individual proposals are treated as part of the whole development proposal, subject to an appropriate timescale being established for bringing forward subsequent phases of development.

4.7 When calculating the tariff, which is based upon the number of bedrooms, the Council will count as a bedroom any room being suitable or capable of being used as such, irrespective of what it may be described as.

4.8 In the case of non payment of financial contributions or the non implementation of on site specific obligations, the Council will pursue all legal means to secure agreed S106 requirements and additional legal penalties.

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### ***Development Viability and Spatial Priorities***

**4.9** The Council acknowledges that, in certain circumstances, a development may not be able to address all of the required planning obligations without the scheme becoming economically unviable. Additionally, in exceptional cases or where provided for specifically through Local Development Documents, certain planning obligation requirements of this SPD might be waived in order to emphasise the need for development to contribute to higher strategic and spatial priorities.

**4.10** If a developer considers that the Council is placing unreasonable obligations upon a proposal site, then an assessment of development viability can be conducted. The Council will require a developer to adopt an 'open book' approach, whereby relevant development finances are subject to an independent financial appraisal, in order to provide the appropriate and necessary information to support a claim. Details of the information requirements for this process are set out in a Plymouth Viability Protocol in Appendix 2.

**4.11** The cost of assessing development viability will be met by the developer who is claiming non-viability for the planning application. Abnormal costs should be reflected in the price paid for the site. Demolition of existing structures, site clearance and decontamination should be reflected in the land value. It will not be acceptable to make allowance for known site constraints in any financial viability appraisal.

**4.12** The Council or appropriate external body will employ confidentiality and discretion with any evidence provided, and this will only be utilised to address and evaluate a specific claim. However, it may be necessary to report the key issues and broad conclusions in reports to elected members at the time of consideration of a planning application. If the Council agrees that a proposal cannot reasonably afford to meet all of the Council's specified requirements, it will not necessarily result in the proposal receiving approval from the Council. It is quite possible that the issues will be so significant that the application will be refused, but in reaching its judgement the Council will consider whether there are overriding benefits in favour of granting permission, and if so will seek to prioritise planning obligation requirements. This judgement will be made on a site by site basis.

**4.13** The emphasis of the new planning system is to improve the spatial elements of plan making. To deliver the Core Strategy, the locational requirements of particular areas of Plymouth will be taken into consideration through a non viability prioritisation process. Priorities will be determined by having regard to Development Plan Document proposals, strategic infrastructure requirements and neighbourhood needs, as identified in the Plymouth Sustainable Neighbourhood Assessments.

### ***On or Off Site Provision***

**4.14** The application of the Plymouth Development Tariff does not mean that developments can avoid making land available and delivering on-site local infrastructure (such as open space and play areas), where appropriate on-site infrastructure is required to ensure that the scheme is of an acceptable quality. However, there will be cases where this is neither practicable nor appropriate within the emerging Local Development Framework policy context. In these instances, the Tariff or Negotiated Element will contribute towards these facilities at an appropriate alternative location or locations.

**4.15** The Council will consider the issue of whether facilities are to be provided on or off site on a case by case basis. However, it is expected that affordable housing obligations will predominantly be required on site.

### ***Maintenance Payments***

**4.16** The costs associated with the maintenance of facilities provided as a result of the development will generally be accounted for as part of the Plymouth Development Tariff. Bespoke agreements may still need to be negotiated for areas not covered by the Tariff.

### ***Outline Applications and Pre Application Discussions***

**4.17** In some cases, where outline planning permission for development is applied for, it may not be clear whether the planning obligation thresholds will be exceeded. In these cases obligations will be negotiated on the presumption that the site exceeds the relevant threshold. Planning obligations will be finalised as a reserved matter. However, where possible, a draft legal agreement specifying levels of contributions will be drawn up early, to clearly establish the Council's requirements. This will then be adjusted at reserved matters stage if the details of the development are revised.

**4.18** The Council encourages pre-application discussions with regard to planning obligations. The early discussion of planning obligation matters, specific proposals and potential abnormal development costs will provide greater clarity and certainty for developers as to the type and scale of contributions potentially required.

***Site Specific Planning Matters outside the remit of the Plymouth Development Tariff***

**4.19** The Council will always seek to address site specific matters through the application of planning policy and the use of conditions. Only where these requirements cannot be met on site will planning obligations be used to make the development acceptable on site. Developers must be aware that S106 contributions sought through this SPD will be in addition to addressing all specific on site issues, such as site access and highway issues, archaeology and nature conservation.

***Management Fee***

**4.20** It is important that a reasonable management fee is set to allow the Council sufficient resources to monitor and implement planning obligation agreements and deliver an efficient and effective Section 106 process. The level of the management fee should not undermine development viability, nor reduce the contribution levels to identified obligation matters. Due to the increase in planning obligation matters and the development threshold, the Council considers that a standard management per development unit would be more suitable. All developments that require a S106 agreement to be completed will be required to pay the management fee irrespective of the financial contribution of the development. The standard Management Fee is calculated based on the size of the development, and will be reviewed on an annual basis (see Planning Services Fees Policy on [www.plymouth.gov.uk](http://www.plymouth.gov.uk) or contact the Planning Service for further information).

**4.21** The Council also considers that the management fee should be capped to prevent excessive management fees being required from large developments. Management fees will be capped to a maximum of £60,000.

***What legal processes will be used?***

**4.22** Planning applicants will be required to submit the following so that applications can be validated:

- Proof of Owner title (including title plan). All those with legal interest in the site may need to enter into the legal agreement. If the land is registered this will be by recent office copy entries (no more than 21 days old). If unregistered, an epitome of title should be provided;
- Names and addresses of any chargees, lessees, mortgagees or other holders of security on the land, as all parties with an interest in the land;
- Contact details of the applicant's solicitor, if applicable.

**4.23** If an application is received without the necessary information the Council will write to the applicant explaining this and asking for the information to be supplied. Meeting these requirements will enable the Council to process planning applications more efficiently and within the tight timescales set by Government.

***Drafting of Agreements***

**4.24** Planning Agreements will be drafted by the City Council. Circular 05/2005 (paragraph B36) promotes the use of 'Standard Agreements' to speed up the preparation of the S106 agreement. The Council will provide standard legal agreements and standard unilateral undertakings. Developments required to contribute in the form of the Plymouth Development Tariff will be required to use standard agreements to enable the determination of planning applications within designated timescales. Model agreements and heads of terms can be downloaded from the Council's web site.

***Financial Contributions***

**4.25** All financial contributions contained in S106 agreements will be index linked to the date of the Committee, or delegated authority approval. Financial contributions will normally be expected to be paid upon commencement of development (as defined in Section 56 of the 1990 Town and Country Planning Act). However, the Council to support development viability this might not always be practical. In these circumstances, the Council will accept payments at specific stages during the development process, for example, upon first occupation of half the dwellings etc. Trigger dates for the payment of financial contributions will be included in the S106 Agreement, as will any time periods by which the contribution is to be spent.

**4.26** Following receipt by the Council, financial contributions will be held in separate accounts. Contributions remaining unspent at the end of a time period specified in the S106 agreement will, on request, be returned to the payee along with any interest accrued. Given that the tariff contributes to strategic infrastructure needs which can take a long time to deliver, the default period will be 15 years from the date of the agreement.

Cabinet version, December 2009

**4.27** Applicants will be required to meet their own and the Council's costs of producing planning obligation agreements, whether the agreement is completed or not, including associated legal costs. This is in addition to the management fee which will be used to manage and monitor the planning obligation process.

### ***Monitoring of Obligations***

**4.28** The monitoring of planning obligations will be undertaken by the Council to ensure that all obligations entered into are complied with on the part of both the developer and the Council. Enforcement action will be taken by the Council where conditions or planning obligations are not being complied with. The costs of monitoring planning obligations will be included in the use of a management fee for each development proposal site.

**4.29** Monitoring information detailing the agreements and the progress of agreements will be kept on a database maintained by the Council. The process will provide assurance that obligations have been spent in full and appropriately.

**4.30** The tariff system will be closely monitored and updated on a regular basis to ensure that costs and methods of calculation reflect current practices and national inflation rises. As new evidence on the cost of managing impacts and delivering strategic infrastructure for sustainable growth of the city emerges, this will be used to update the tariff cost in a fair and transparent way.

**4.31** The tariff approach in this document will also be reviewed once the details of the Community Infrastructure Levy are fully understood. Furthermore, the Council will welcome feedback at any time on the operation, or any other relevant matters in relation to the operation, of this Supplementary Planning Document.



Cabinet version, December 2009

## **APPENDIX 1: MENU OF MARKET RECOVERY MEASURES**

Appendix 1 relates to Para 1.8 of the Supplementary Planning Document.

Market Recovery Schemes to support development during adverse market conditions may be introduced by the City Council. The following list identifies the types of measures that the Council may consider using as part of such Schemes. The aim is to assist developers by allowing them to tailor elements of the S106 agreement so that they are better aligned with the project's risk profile and cash flow. Each Scheme will be clearly publicised, time limited and enacted by a formal resolution of the Council's Cabinet.

### **Measures that encourage the early delivery of projects:**

1. Discounts on tariff for specified developments (identified as part of the Market Recovery Scheme being enacted), subject to viability appraisal.
2. Flexibility on affordable housing requirement may be considered (to be specified as part of the Market Recovery Scheme being enacted), together with the possible use of gap funding to support affordable housing delivery.

The following conditions must be met to benefits from these discounts / flexibilities:

- The case must be established through an open book viability appraisal which shows that the development may be unviable under current conditions.
- Developers must agree to a two-year consent, and to make a substantial start on the approved development within two years of the grant of consent.
- Substantial start will be defined in the Planning Agreement, but is likely to require the completion of key sections of infrastructure or the substantial completion of the first units.
- In appropriate cases, consideration will be given to making the consent personal to the applicant.
- For strategically significant development proposals, where the affordable housing provision is critical to the achievement of the Core Strategy's Affordable Housing target, the Council reserves the right not to agree to a relaxation of the affordable housing requirement.
- Flexible phasing of payments of the discounted tariff may be considered where this is justified by the financial appraisal, subject to 'clawback' provisions being incorporated as part of the planning agreement.

Measures to help developers respond quickly to economic recovery by having 'oven-ready' consents:

1. Extended planning permission periods (up to 7 years).
2. Flexible phasing of payments of planning obligation requirements.

The following conditions must be met to benefit from these flexibilities:

- The case for the extension is to be established through an open book viability appraisal which shows that the development may be unviable under current conditions and that extended permission which includes an assumed improvement in the economy will enhance viability
- If actual level of payment is to be determined by end value of development, a 'clawback' mechanism will be needed.

### **Exemptions from the requirement to pay tariff in certain cases:**

1. The Market Recovery Scheme to be enacted might provide for certain types or scales of development to be exempt from paying tariff for a temporary period. The particular exemption will be justified in the Market Recovery Scheme to be published.

### **General flexibilities in delivery of Planning Services:**

In addition to these specific Market Recovery measures, the Planning Service will at all times be willing to consider flexible and innovative approaches to service-delivery that assist the development process, including:

- Positive approach to deeds of variation to assist with re-phasing of s106 contributions where this is justified by open-book viability appraisal.
- Improved and quicker pre-application process with opportunity for Council to work with developer on Site Planning Statements to provide clear framework for the planning application.
- An openness to partnership working to help bring forward planning applications for strategic projects identified through the Local Development Framework.

Cabinet version, December 2009

## **APPENDIX 2: PLYMOUTH VIABILITY PROTOCOL**

Appendix 2 relates to Para 4.9 of the Supplementary Planning Document.

This Protocol is based on the recommended practices of the HCA (Housing and Communities Agency) and English Partnerships' ATLAS Unit (Advisory Team for Large Applications). Across a range of policy documents, the characteristics which can help to facilitate productive engagement between local authorities and developers over viability issues are discussed. The Plymouth Viability Protocol reflects the spirit of these documents by providing a broad outline for the Council's requirements for progressing viability discussions through an open book process.

The primary aim of the Protocol is to ensure that planning obligations are implemented fairly. While the Council recognises that there are instances in which the planning obligation requirements will cause projects to become unviable, it also requires developers to provide satisfactory evidence that ensures that negotiations and an eventual agreement are arrived through a process that has integrity. Otherwise, there is a risk that some developers contribute to meet their wider impact on the City's infrastructure needs while others unfairly avoid it.

### **Early engagement**

- The applicant will let the Council know that it plans to raise the issue of viability as soon as it is apparent so that all involved parties can coordinate a process. This should typically be during the pre-application stage, as it will be expected that the developer already understands the impact of the tariff of their project. Early engagement provides the developer the opportunity to present their case and gives both parties adequate time to scope the particular viability issues, plan the workflow, and agree on the analytic approach/model and table the delivery mechanisms that will be used (in the event that it is necessary to improve viability).
- On more complex applications or as part of a S106 agreement, a 3<sup>rd</sup> party appraisal may be required. In this case, the developer, the Council, and the 3<sup>rd</sup> party consultant will meet together to scope the details of how the appraisal will proceed.

### **An agreed upon platform for analysis**

- If the developer and the planning authority agree that a development appraisal will be a basis for discussions, the model and all its inputs should be accessible to both parties. When a developer provides their own model to the Council, they should be prepared to present it in a form that enables the Council to adequately interrogate its underlying structure and assumptions. If the appraisal is done by a 3<sup>rd</sup> party, the Council will be party to all of the model's data as it is made available.
- The computer programme used to create the viability model will be agreed between the developer and the Council. It shall be a programme that is used or at least understood by both parties. In the event that the developer uses a programme that is proprietary or not used by the Council, the developer should be prepared to visit the Council to give the Council an adequate opportunity to understand its underlying structure and assumptions. It may be that a proprietary model lacks the qualities necessary to facilitate the viability exercise and the exploration of mechanism's that will improve viability. In that case, another format will be used.
- In the event that the Council has questions about the model's assumptions or asks for more detail, the developer will provide supporting evidence which reveals the basis for the assumptions. Evidence could be from such sources such as the Building Cost Information Service (BCIS), SPON's Architects' and Builders' Price Book or Valuation Office Agency (VOA) data. For rental and sales data (including yields), it is expected that the developer will provide evidence of market transactions.
- In the event that the project has abnormal costs, these should be reflected in the price paid for the site. Demolition of existing structures, site clearance and decontamination should be reflected in the land value. It will not be acceptable to make allowance for known site constraints in any financial viability appraisal.

### **Discussing viability and reaching agreement**

- If it is found that there are discrepancies between the assumptions in a developer's viability model and the Council's evidence of (1) market practice or (2) market evidence (e.g. recent letting or sales transactions), the developer must provide satisfactory evidence that justifies the discrepancy.

## Cabinet version, December 2009

- In the event that the initial appraisal exercise establishes that viability is an issue, the next step is for the developer and the Council to use the appraisal model as a tool to explore the range of solutions for delivering a viable scheme. These will include the various mechanisms initially tabled.
- In order to explore phased payments and/or a clawback mechanism, it will be necessary to use a cash flow model to sufficiently explore the range of options and to measure the relative impacts of different combinations of solutions on project viability.
- In the event of a clawback arrangement, it will be necessary for additional appraisals to be done over the course of the development. In the event that the developer will be providing internal information about costs, lettings, sales and other information germane to the development's viability, the evidence shall be certified.

**APPENDIX 3: DEFINITION OF USE CLASSES ORDER**

| Use Classes Order                               | Use / Description of Development   | Use Classes Order                             | Use / Description of Development   | Use Classes Order                          | Use / Description of Development   |
|---|--|---|--|--|--|
| <b>A1:</b><br>Shops                             | The retail sale of goods to the public, including: Shops, Post Offices, Travel Agencies & Ticket Agencies, Hairdressers, Funeral Directors & Undertakers, Domestic Hire Shops, Dry Cleaners, Internet Cafes, Sandwich bars (where sandwiches or other food are to be consumed off the premises).   | <b>B1:</b><br>Business                        | Offices, other than a use within Class A2 (Financial Services)<br>Research and development of products or processes<br>Light industry.   | <b>D1:</b><br>Non-Residential Institutions | Clinics & Health centres, Crèches, Day Nurseries & Day Centres, Museums, Public Libraries, Art Galleries & Exhibition Halls, Law Court, Non-Residential Education & Training Centres, Places of Worship, Religious Instruction & Church Halls.   |
|   |  | <b>B2:</b><br>General Industrial              | General Industry: use for the carrying out of an industrial process other than one falling in class B1.  |  |  |
| <b>A2:</b><br>Financial & Professional Services | Financial Services: Banks, Building Societies & Bureau de Change. Professional Services (other than Health or Medical Services): Estate Agents & Employment Agencies. Other services which it is appropriate to provide in a shopping area: Betting Shops. (Where the services are provided principally to visiting members of the public. | <b>B8:</b><br>Storage & Distribution          | Use for storage or distribution centre.  | <b>D2:</b><br>Assembly & Leisure           | Cinema, Concert Hall, Bingo Hall, Dance Hall, Swimming Bath, Skating Rink, Gymnasium, or area for indoor or outdoor sports or recreations, not involving motor vehicles of firearms.   |
|   |  | <b>C1:</b><br>Hotels                          | Use as a Hotel, Boarding House or Guesthouse, where no significant element of care is provided.  |  |  |
| <b>A3:</b><br>Restaurants & Cafes               | Restaurants and Cafes (i.e. places where the primary purpose is the sale and consumption of food and light refreshment on the premises). This excludes Cafes which are now A1.   | <b>C2:</b><br>Residential Institutions        | Hospital, Nursing Home or Residential School, College or Training Centre where they provide residential accommodation and care to people in need of care (other than those within C3 Dwelling Houses).   | <b>Sui - Generis</b>                       | A use on its own, for which any change of use will require planning permission. Includes, Theatres, Nightclubs, Retail Warehouse Clubs, Amusement Arcades, Launderettes, Petrol Filling Stations and Motor Car Showrooms.<br><br>Casinos – following declassification planning permission is needed for any premises, to undergo a material change of use to a casino. |
| <b>A4:</b><br>Drinking Establishments           | Public House, Wine Bar or other Drinking Establishments (i.e. premises where the primary purpose is the sale and consumption of alcoholic drinks on the premises).   | <b>C2A:</b><br>Secure Residential Institution | Use for a provision of secure residential accommodation, including use as a prison, young offenders institution, detention centre, secure training centre, custody centre, short term holding centre, secure hospital, secure local authority accommodation or use as a military barracks. |  |  |
| <b>A5:</b><br>Hot Food Take-away                | Take-aways (i.e. premises where the primary purpose is the sale of hot food to take-away).   | <b>C3:</b><br>Dwelling Houses                 | Use as a dwelling House (whether or not as a sole or main residence), by a single person or people living together as a family, or by not more than six residents living together as a single household (including a household where care is provided for residents).                      |  |  |

**Notes:**

Where uses do not fall within the main classes they are classified as sui-generis. The table provides an indication of sui-generis uses but the list is not exhaustive.

The Town and Country Planning Use Classes Order 1987 is the principle order which has been subject to a number of subsequent amendments. The table is intended as a general guide only. Reference must be made to the Town and Country Planning Act 1990, as amended by the Use Classes (Amendment) order 2005 and General Permitted Development (Amendment) Order 2005.

In all instances developers should check with the Council

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**CITY OF PLYMOUTH**

**Subject:** Council Tax Base Setting  
**Committee:** Cabinet  
**Date:** 15 December 2009  
**Cabinet Member:** Cllr Bowyer  
**CMT Member:** Director of Corporate Support – Adam Broome  
**Author:** Gary Edwards – Accounts Processing Manager (Revenues and Benefits)  
**Contact:** Tel: 01752 - (30) 4404  
E-mail: gary.edwards@plymouth.gov.uk  
  
**Ref:** REV/GE  
**Part:** I

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**Executive Summary:**

The report provides Members with a Council Tax-base for Tax Setting purposes in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 as amended by SI 2003/3181.

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**Corporate Plan 2009-2012:**

The correct calculation of the council tax base will ensure the Council maximises its financial resources to meet corporate objectives.

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**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

A collection rate of 98.5% has been used in calculating the Council Tax-base.

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**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

None

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**Recommendations & Reasons for recommended action:**

It is recommended that Cabinet make a recommendation to Full Council to approve the Council Tax Base for 2010/11 Tax Setting as 76,899 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%.

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**Alternative options considered and reasons for recommended action:**

Not applicable – calculation of the tax base is a statutory function

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**Background papers:**

Calculation of Council Tax Base Return to CLG (CTB1)

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**Sign off:**

|                                    |                           |     |                     |    |  |              |  |    |  |               |  |
|------------------------------------|---------------------------|-----|---------------------|----|--|--------------|--|----|--|---------------|--|
| Fin                                | SW<br>Corp<br>F9000<br>08 | Leg | <b>DVS<br/>1078</b> | HR |  | Corp<br>Prop |  | IT |  | Strat<br>Proc |  |
| Originating SMT Member Adam Broome |                           |     |                     |    |  |              |  |    |  |               |  |



1. **INTRODUCTION**

1.1 The Local Government Finance Act 1992 (amended 2003) establishes arrangements for the setting of Council Taxes. The arrangements include the valuation of the Council Tax-base for tax setting for which a Council resolution is necessary. Regulations require that this calculation be made annually between 1 December and 31 January prior to the financial year within which it will be effective. The result must be notified to Devon County Council, the Police Authority and the combined Fire Authority by the 31 January. Although Devon no longer precepts upon Plymouth, the cost of certain joint services are shared on the Council Tax Base and the County will need to be informed of the figures.

2. **PURPOSE OF THE REPORT**

2.1 The purpose of this report is to present the Committee with the calculation of the Council Tax-base of 76,899 for tax setting for the financial year 2010/11. For purposes of comparison, the Council Tax-base for tax setting in the financial year 2009/10 was 76,750.

3. **TAX-BASE CALCULATIONS**

3.1 Tax-base figures are calculated by the billing authority as the aggregate of the "relevant amounts" calculated for each property valuation band multiplied by the estimated "collection rate" for the year.

3.2 Relevant amounts are:

- (a) the number of chargeable dwellings in that band shown in the valuation list as it stands on the relevant day;
- (b) the number of discounts, disabled reductions and exemptions which apply to those dwellings on the relevant day;
- (c) estimated changes in (a) and (b) above between the relevant day and the last day of the charging period to which the estimate applies;
- (d) the number of band D equivalents within each different band. The relevant day is 30 November in the financial year preceding that for which the relevant amounts are calculated.

3.3 The collection rate for the year is the Billing Authority's estimate of the total amounts of Council Tax, which will ultimately be paid or transferred.

3.4 A summary of the actual calculation of the 2010/11 Council Tax-base for Plymouth is contained in Appendices to this report. Appendix A shows the tax base calculation, Appendix B shows the tax base used for the previous three years for comparison.

3.5 This report assumes a collection rate for Council Tax of 98.5%. Whilst there is a risk in the current economic climate that in-year collection may be affected, it is assumed that in the longer term the level of 98.5% remains achievable.

4. **RECOMMENDATION**

4.1 It is recommended that Cabinet make a recommendation to Full Council to approve the Council Tax Base for Tax Setting for 2010/11 as 76,899 Band D equivalents, which is the tax base after allowing for an estimated collection rate of 98.5%.

**APPENDIX A**

**Tax Base allowing for a 98.5% collection rate.**

| <b>BAND</b>                             | <b>NO. OF PROPERTIES<br/>BEFORE DISCOUNT</b> | <b>NO. OF PROPERTIES<br/>AFTER DISCOUNT<br/>and EXEMPTIONS</b> | <b>BAND D<br/>EQUIVALENTS</b> | <b>ESTIMATED<br/>COLLECTION RATE</b> | <b>ADJUSTED<br/>BAND D<br/>EQUIVALENTS</b> |
|---|--|--|-------------------------------|--------------------------------------|--|
| A                                       | 46,215                                       | 37,403   | 24,927                        | 98.5%                                | 24,553                                     |
| B                                       | 30,477                                       | 25,669   | 19,965                        | 98.5%                                | 19,666                                     |
| C                                       | 21,520                                       | 18,781   | 16,694                        | 98.5%                                | 16,444                                     |
| D                                       | 8,758  | 7,700  | 7,700                         | 98.5%                                | 7,585                                      |
| E                                       | 4,467  | 4,039  | 4,937                         | 98.5%                                | 4,863                                      |
| F                                       | 1,662  | 1,524  | 2,201                         | 98.5%                                | 2,168                                      |
| G                                       | 560  | 453  | 755                           | 98.5%                                | 744  |
| H                                       | 59   | 18   | 36                            | 98.5%                                | 35   |
|   | <hr/> 113,718                                | <hr/> 95,587   | <hr/> 77,215                  |                                      | <hr/> 76,058                               |
| Plus adjustment for<br>MOD Contribution |  |  | <hr/> 841                     |                                      | <hr/> 841                                  |
| <b>TAX BASE TOTALS</b>                  |  |  | <hr/> <b>78,056</b>           |                                      | <hr/> <b>76,899</b>                        |

Corporate Support Department  
PLYMOUTH  
December 2009

**APPENDIX B**

**Tax Base and collection rates used for previous three years.**

| Year                                 | 2009/2010         |                           |                             | 2008/2009         |                           |                             | 2007/2008         |                           |                             |
|--------------------------------------|-------------------|---------------------------|-----------------------------|-------------------|---------------------------|-----------------------------|-------------------|---------------------------|-----------------------------|
| Band                                 | No. of properties | Estimated collection rate | Adjusted Band D equivalents | No. of properties | Estimated collection rate | Adjusted Band D equivalents | No. of properties | Estimated collection rate | Adjusted Band D equivalents |
| A                                    | 45,909            | 98.5%                     | 24,527                      | 45,454            | 98.5%                     | 24,379                      | 44,820            | 98.5%                     | 24,132                      |
| B                                    | 30,243            | 98.5%                     | 19,667                      | 29,807            | 98.5%                     | 19,479                      | 29,511            | 98.5%                     | 19,334                      |
| C                                    | 21,348            | 98.5%                     | 16,390                      | 21,249            | 98.5%                     | 16,382                      | 21,067            | 98.5%                     | 16,255                      |
| D                                    | 8,642             | 98.5%                     | 7,539                       | 8,585             | 98.5%                     | 7,535                       | 8,523             | 98.5%                     | 7,497                       |
| E                                    | 4,453             | 98.5%                     | 4,845                       | 4,427             | 98.5%                     | 4,864                       | 4,384             | 98.5%                     | 4,819                       |
| F                                    | 1,661             | 98.5%                     | 2,163                       | 1,671             | 98.5%                     | 2,194                       | 1,653             | 98.5%                     | 2,161                       |
| G                                    | 561               | 98.5%                     | 752                         | 556               | 98.5%                     | 741                         | 550               | 98.5%                     | 748                         |
| H                                    | 59                | 98.5%                     | 37                          | 60                | 98.5%                     | 37                          | 58                | 98.5%                     | 35                          |
| Totals                               | 112,876           |                           | 75,920                      | 111,809           |                           | 75,611                      | 110,566           |                           | 74,981                      |
| Plus adjustment for MOD Contribution |                   |                           | 830                         |                   |                           | 833                         |                   |                           | 845                         |
| <b>TAX BASE TOTALS</b>               |                   |                           | <b>76,750</b>               |                   |                           | <b>76,444</b>               |                   |                           | <b>75,826</b>               |

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**CITY OF PLYMOUTH**

**Subject:** Award of Contract for Plymouth Community Equipment Service  
**Committee:** Cabinet  
**Date:** 3 November 2009  
**Cabinet Member:** Councillor Dr Salter  
**CMT Member:** Carole Burgoyne  
**Author:** Chris Dorain/Craig McArdle  
**Contact:** [chris.dorain@plymouth.gov.uk](mailto:chris.dorain@plymouth.gov.uk), [craig.mcardle@plymouth.gov.uk](mailto:craig.mcardle@plymouth.gov.uk)  
**Part:** I (Background documents are Part II)  
**Ref:** OJEU 210171-2009 Contract Number: 09226

---

**Executive Summary:**

Plymouth City Council and NHS Plymouth presently jointly commission an Integrated Community Equipment Service. The present service based on 2008/09 figures highlights that,:

- The level of activities is in the region of 14,000 (deliveries, collections etc)
- The level of items issue is circa 23,000 (some of this from peripheral stores). This would be made up of approx: standard equipment 20,500 (includes rails and mopsticks etc), specialist equipment 1,600 and minor adaptations
- In the region of 1,100 pieces of equipment per year require maintenance

The existing contract with PLUSS to provide the service expires on the 31<sup>st</sup> March 2010. Primarily, the CES contract is a delivery contract and according to EU legislation the service is classed as a part A service and therefore subject to the full OJEU (Official Journal of the European Union) procurement requirements. The OJEU Regulations specify that all service contracts over the £139,893 threshold should be tendered.

A competitive procurement was therefore conducted in accordance with the Restricted Procedure, under the EC Services Directive, as implemented by UK Public Services Contracts Regulations 2006.

The tenders were evaluated by a team of staff from across Plymouth City Council and Adult Social Care and consisted of an evaluation of method statements, financial evaluation, IT functionality test, site visits and presentations.

The tenders were evaluated between October and November 2009. A clear winner emerged from this process.

---

**Corporate Plan 2009-2012:**

The award and execution of these contracts specifically relates to the 2009-12 Corporate Plan, Improvement Priority Three; Helping people to live independently  
“To develop more services and opportunities for people to live independently”.  
It will also contribute to Corporate Improvement Priority 14; Providing better value for money

---

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

**Financial Implications**

The Council will realise a 14.3% benefit in terms of cost, (based on last years activity levels and unit costs).

These financial savings could be increased further by the proposed introduction of the supplier’s logistics and operating systems. We are also confident that we will see improvements to customer service and customer satisfaction

---

**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

The service directly impacts upon the following National Indicators:  
NI 136; People supported to live independently through social services (all adults)  
NI 130; Social care clients receiving Self Directed Support per 100,000 population  
NI179; Value for money gains

---

**RECOMMENDATIONS & REASONS FOR RECOMMENDED ACTION:**

The recommendation is that a three year contract, with an option to extend for one plus one year extension (up to two years maximum) be awarded to the preferred supplier.

The evaluation process determined their offer to be the most economically advantageous tender based on price and quality. The award of this contract is forecasted to achieve efficiency savings

---

**Alternative options considered and reasons for recommended action:**

Extend Existing Contract

The present contract with PLUS to provide the CES service expires on the 31<sup>st</sup> March 2010. No option to extend was built into the final contract. Primarily, the CES contract is a delivery contract and according to EU legislation the service is classed as a part A service and therefore subject to the full OJEU (Official Journal of the European Union) procurement requirements. The OJEU Regulations specify that all service contracts over the £139, 893 threshold should be tendered.

On issuing and receipt of the completed Pre Qualification Questionnaire it demonstrated that there is a potential market for this service provision with five companies expressing an interest to tender. Further advice from legal services and strategic procurement, determined that there was no basis for an exemption and so a competitive procurement process was undertaken.

**Background papers:**

**Part: II Category Part 9a) of Schedule 12A of the Local Government Act 1972**  
 Community Equipment Service Contract Award Report dated: 04<sup>th</sup> November 2009

**Sign off:** comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert initials of Finance and Legal reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

|                        |                        |     |        |        |              |  |    |  |               |           |
|------------------------|------------------------|-----|--------|--------|--------------|--|----|--|---------------|-----------|
| Fin                    | (CoSF<br>AC910<br>003) | Leg | SC1079 | H<br>R | Corp<br>Prop |  | IT |  | Strat<br>Proc | JK<br>233 |
| Originating SMT Member |                        |     |        |        |              |  |    |  |               |           |

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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