

CITY OF PLYMOUTH

Subject: Local Development Framework: Adoption of Planning Obligations & Affordable Housing Supplementary Planning Document: First Review

Committee: Cabinet

Date: 13 July 2010

Cabinet Member: Councillor Fry

CMT Member: Director for Development and Regeneration

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Part: I

Executive Summary:

Supplementary Planning Documents (SPDs) are part of the Local Development Framework (LDF) and serve to amplify policies in Development Plan Documents, such as the Core Strategy and Area Action Plans. The Planning Obligations & Affordable Housing SPD amplifies Policy CS33 (Community Benefits/ Planning Obligations) and Policy CS15 (Overall Housing Provision).

The SPD was adopted by the City Council on 1 December 2008, and a First Review of the SPD was approved by Cabinet on 15 December 2009 for consultation purposes. The consultation draft has been through a consultation process, which took place between January and February 2010. The document has now been amended taking into account the representations received, the latest national policy guidance and legislation, and in response to the experience of using the document in the planning application process. The main amendments are:

- Inclusion of a distinction between 'Plymouth Development Tariff' contributions to strategic and local infrastructure, in response to new legislation that came into effect on 6 April 2010 (the Community Infrastructure Levy Regulations 2010).
- Clarification of the nature of the Tariff, to better demonstrate its consistency with the policy provisions of Circular 05/2005 and the Department of Communities and Local Government's New Policy Document for Planning Obligations, March 2010.

- Clarification of the role of the ‘negotiated element’ of Planning Obligations.
- Clarification of the nature of commuted maintenance payments that can be negotiated through Planning Obligations.
- Clarification and amendment of exemptions to the Plymouth Development Tariff to achieve improved consistency with the legal framework for the new Community Infrastructure Levy.
- Amendment to the approach taken in the SPD to student housing and Houses in Multiple Occupation.
- Clarification of the process of negotiating contributions to help mitigate the impact of commercial development on the marine environment.
- Amendments to the Market Recovery Scheme to reflect current market circumstances.
- Refreshing of the associated Evidence Base document.

This report seeks the Cabinet’s approval of Planning Obligations and Affordable Housing SPD: First Review, with a view to referring it to Full Council for formal adoption.

Corporate Plan 2010-2013:

The SPD directly supports the delivery of Corporate Improvement Priority (CIP) 12, which relates to the delivery sustainable 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); improving culture and leisure opportunities (CIP6); developing high quality places to learn in (CIP9); and improving access across the city (CIP11).

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), and in December 2009 when the First Review of the SPD was approved for consultation purposes.

It is the role of the SPD to provide a framework for the negotiation of planning obligations to mitigate the impacts of development on the city and its local communities. One of the primary mechanisms for doing this is through the Plymouth Development Tariff, which enables financial contributions to be pooled to address the cumulative impacts of development on infrastructure needs.

In response to the Community Infrastructure Levy (CIL) Regulations 2010 (which came into effect on 6 April 2010) and the continuing fragility of the global and local economy, three significant changes are proposed in this report which affect the level of tariff and how it can be spent.

1. The need to distinguish between strategic infrastructure and local infrastructure, which is a prudent response to three statutory tests for planning obligations introduced in Regulation 122 of the CIL Regulations.
2. Changes to the development categories that are exempt from the tariff or elements of it.
3. The proposed removal of the automatic requirement for a viability appraisal of all developments that seek a discount under the Market Recovery Scheme that was approved alongside the Draft First Review SPD in December 2009.

The first change will have an impact on the level of tariff able to be negotiated both for strategic and local infrastructure within the city. What can be negotiated will be determined by the specific nature of the impact. For development associated with the growth of the city, contributions can be sought for strategic transport, sports/leisure and green infrastructure as appropriate. However, tariff will now only be able to be negotiated for local infrastructure relating to the neighbourhoods or sub areas of the city, such as primary schools, libraries and local green space, where there is an identifiable local need. Such tariff will need to be spent in addressing those needs. The changes proposed to ensure compliance with the CIL Regulations offer the best prospect of maximising planning obligation contributions.

The second change will affect the level of tariff able to be negotiated, particularly given the proposed exemption for affordable housing (which currently pays only transport tariff) and the revised thresholds proposed. However, the CIL Regulations now exempt affordable housing from CIL, and given that delivery of affordable housing itself is a priority for the Council, this particular exemption is now considered appropriate.

The third change may possibly lead to a reduction in the total level of tariff negotiated in the period to April 2011 (i.e. the period for which the current Market Recovery Scheme applies). However, in current market conditions it is highly unlikely that this would be significant. Experience of viability appraisals submitted to date affirms the need for discounts as set out in the approved Market Recovery Scheme. The removal of the automatic requirement for submission of viability appraisals will significantly reduce the burden on applicants and case officers and send out a very important message to businesses that the Council is firmly committed to supporting economic recovery.

It needs to be remembered that the tariff is primarily gap funding, designed to supplement other sources. It is difficult to predict the level of tariff that will be

available at any moment because it is dependent on financially viable developments coming forward to be able to generate the contributions, and there has been a significant decline in such developments during the economic downturn. The risks associated with tariff contributions to projects must therefore be acknowledged in project development. The Capital Delivery Board will play a key role in the governance of tariff spend, ensuring that funds are used in the most effective way and in accordance with the requirements of Planning legislation.

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 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 Council's adopted Market Recovery Scheme approved by Cabinet on 15 December 2009 and as amended in this report.
- Impact on development viability, given the extent of developer contributions sought. This risk is being managed through the Market Recovery Scheme.
- 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. Additionally, the Capital Delivery Programme Board will take on a responsibility for ensuring that tariff funds are spent in the most effective way.

There is also a risk associated with infrastructure providers becoming overly dependent upon tariff money to help finance their projects. This particular risk needs to be addressed at programme and project management level. A Planning Obligations Forum is now established to provide an opportunity for two-way communication between the Planning Service, as custodians of the Planning Obligations process, and programme/project managers. Additionally, the Capital Delivery Board has a key role to play in managing risks through its oversight of the Council's Capital Programme.

Recommendations & Reasons for recommended action:

It is recommended that the Cabinet:

- 1 Recommend to Full Council that the Planning Obligations and Affordable Housing Supplementary Planning Document First Review be formally adopted.

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

- 2 Delegate authority to the Assistant Director of Development (Planning Services) to approve the final publication version of the Supplementary Planning Document First Revision.

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

- 3 Instruct the officers to implement as soon as practicable all the statutory procedures associated with the adoption process.

Reason: To comply with the requirements of Part 5 of the Town and Country Planning (Local Development) (England) Regulations 2004, as amended.

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 Regulations 2010 give local authorities that operate tariff systems 4 years to move to CIL, after which tariff-based approaches will no longer be possible.

The CIL is a new charge that local planning authorities may decide to levy on development in order to help fund 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 arguably less flexible than a tariff regime) and requires significant further work to be able to set the levy. Additionally, the CIL Regulations 2010 only came into force on 6 April 2010 and it is unclear at this stage whether the new Government will maintain, amend or repeal them.

Therefore this alternative is not recommended at present. The preferred option is to improve the current SPD and change it to reflect the new legal framework for Planning Obligations.

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

LDF: Annual Review of Planning Obligations and Affordable Housing SPD report to Cabinet 15 December 2009.

Planning Obligations and Affordable Housing SPD First Review Consultation Summary Report.

ODPM, Circular 05/2005, July 2005

Department of Communities and Local Government, New Policy Document for Planning Obligations, March 2010

Community Infrastructure Regulations 2010.

Sign off:

Fin	CapF1011 0001/CDR /30.06.10	Leg	JAR/10/1 52	HR	N/ A	Corp Prop	N/ A	IT	N/ A	Strat Proc	N/A
Originating SMT Member Paul Barnard, Assistant Director of Development (Planning Services)											

1. BACKGROUND

- 1.1 A Supplementary Planning Document (SPD) forms part of the suite of Local Development Framework (LDF) documents. However, it is a non statutory document and therefore is not subject to independent examination.
- 1.2 The purpose of an SPD is to amplify existing Development Plan Documents with additional explanation and guidance. However, it cannot introduce new policy.
- 1.3 The original Planning Obligations and Affordable Housing SPD was adopted by the City Council on 1 December 2008. It set the framework for the City Council to negotiate and secure planning obligations for infrastructure and affordable housing. It includes two main approaches to the negotiation of planning obligations:
 - a) The Plymouth Development Tariff – an indicative charge to secure pooled contributions to managing the impacts of development on infrastructure.
 - b) The ‘Negotiated Element’ – a bespoke part of a planning obligation, designed to tackle specific impacts for which a tariff-based approach is not appropriate, and to deliver affordable housing.
- 1.4 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 LDF Annual Monitoring Report regime. However, for this first review it was 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.
- 1.5 The First Review of the SPD was approved by Cabinet for consultation purposes on 15 December 2009. Formal consultation was undertaken between 20 January and 26 February 2010. In addition, the review process has been informed by Community Infrastructure Levy Regulations 2010 came into effect on 6 April 2010.
- 1.6 The SPD has now been amended taking into account representations received, the latest national policy guidance and legal framework, and in response to the experience of using the document in the planning application process. Once approved by Cabinet it will need to be referred to a Full Council meeting to be formally adopted.

2. ISSUES RAISED THROUGH CONSULTATION

- 2.1 A total of 26 representations were received from 13 different organisations. A full report of the representations received and officer responses is published as a background paper to this report. In summary the key issues raised were:

- a) Concerns about whether tariff should be charged in full or part for certain uses (e.g. affordable housing; student accommodation; sheltered accommodation; other C2 uses).
- b) The need to consider whether a tariff can be charged for marina developments on the basis of capacity of the site rather than floorspace.
- c) Need to clarify how maintenance contributions are justified and provided for.
- d) Concerns regarding some aspects of the Planning Obligations process (e.g. management fees; time frame for spending S106 contributions, evidence base assumptions).
- e) Concerns that the market recovery scheme is either too restrictive or too flexible.
- f) Need for more clarity on certain issues (e.g. community/cultural facilities, cross border infrastructure and evidence base).

3. IMPLICATIONS OF COMMUNITY INFRASTRUCTURE REGULATIONS 2010

- 3.1 The Community Infrastructure Levy Regulations are the outcome of a comprehensive review of the Planning Obligations process that has been running for several years. They enable local authorities to introduce a mandatory charge on developments to secure contributions to infrastructure.
- 3.2 CIL has many similarities to tariff regimes, such as that operated by this Council. However, there are also some significant differences and a considerable amount of additional evidence will be required to determine whether or not a CIL approach should be adopted for Plymouth. This work will be undertaken during the course of 2010, but in the meantime it is important that the Council makes its current tariff-based approach as effective as possible.
- 3.3 The Regulations are drafted in such a way as to encourage local authorities to move to CIL approaches sooner rather than later. In effect, if tariff-regimes have not been converted to CIL-regimes within 4 years they will become completely ineffective. However, of most significance to the present is Regulation 122 which makes it unlawful for a planning obligation to constitute a reason for granting planning permission unless it meets all of 3 statutory tests:
 - a) The obligation is necessary to make the development acceptable in planning terms.
 - b) The obligation is directly related to the development.
 - c) The obligation is fairly and reasonably related in scale and kind to the development.

The interpretation of these tests is amplified in CLG's New Policy Document for Planning Obligations, March 2010.

- 3.4 These tests are similar to the 5 policy tests of planning obligations set out in Circular 05/2005. However, their elevation to a statutory basis changes the context considerably and has immediate implications for the planning authority in its determination of planning applications. In particular, each planning obligation under consideration must be carefully evaluated to demonstrate that it complies with the 3 tests.
- 3.5 Furthermore, the SPD will need to be amended so it is clear how each component of the tariff has the potential to meet the tests. The most appropriate way to deal with this is to clearly distinguish between those elements of the tariff that relate to addressing needs at neighbourhood or other local levels (*local infrastructure*) and those elements that relate to city wide or strategic needs, including those related to the growth agenda (*strategic infrastructure*). Each tariff contribution will need to be spent according to the particular need it is addressing.

4. LESSONS FROM EXPERIENCE

- 4.1 Two additional issues have come to light in response to experience of using the SPD in the negotiation of planning obligations, relating to:
 - a) Houses in Multiple Occupation (HMOs).
 - b) The need for viability assessments as part of the Market Recovery Scheme.
- 4.2 HMOs. The consultation draft SPD includes a specific requirement to seek tariff from HMOs. Until 6 April 2010, a dwelling with not more than 6 residents living together as a single household came within Use Class C3 (Dwelling Houses). HMOs with more than 6 people were considered as a *sui generis* use in planning terms. However, the Town and Country Planning (Use Classes) (Amendment) (England) Order 2010 has now introduced a new Use Class for HMOs (C4) which includes houses with between 3 and 6 unrelated individuals sharing basic amenities. The consequence of this change is that smaller HMOs are now potentially caught by the SPD's tariff for HMOs. This has had a consequential effect too on the workload of case officers. There is need therefore to clarify the approach the Council wishes to take to HMOs, balancing the need to address the impacts of development on infrastructure with the resource implications of negotiating obligations in relation to small schemes. The clarifications proposed to the SPD are summarised in section 5 below.
- 4.3 Viability assessments. Appendix 1 of the consultation draft SPD includes a menu of possible market recovery measures which can be enacted by the Council at appropriate times. To benefit from market recovery measures, such as a discount on the tariff, the draft SPD

requires an open book viability appraisal to prove the case. However, officers now have a strong evidence from the viability appraisals submitted to date that the discounts are essential for most residential and employment developments. Furthermore, the undertaking of these assessments is an additional burden on businesses as well as a significant resource pressure on case officers. There is a need therefore for a more flexible approach to when viability appraisals are submitted. Changes proposed to the SPD are summarised below.

5. SUMMARY OF KEY CHANGES MADE TO THE CONSULTATION DRAFT SPD

Distinguishing between local and strategic infrastructure

- 5.1 This change is proposed in response to the 3 new statutory tests identified in the CIL Regulations (see para. 3.3 above).
- 5.2 Local infrastructure is defined in the revised SPD as the infrastructure necessary to make a neighbourhood or locality of the city more sustainable. In the context of the Plymouth Development Tariff it includes:
- a) Primary schools
 - b) Libraries
 - c) Local health facilities
 - d) Playing pitches
 - e) Local green space, including children play areas
- 5.3 Strategic infrastructure is defined as infrastructure that is often provided at a higher spatial level than that of the neighbourhood or locality of the city, to serve the wider needs of the city. It includes:
- a) The 'big kit' infrastructure necessary to provide for the sustainable growth of the city.
 - b) Centralised facilities (in one or more locations) that provide the critical mass necessary for providing high quality services.
 - c) Natural infrastructure (the environment) which is impacted by population growth.
- 5.4 In the context of the Plymouth Development Tariff strategic infrastructure includes:
- a) Strategic sports and leisure facilities
 - b) Strategic green space, including the marine environment
 - c) Strategic transport
 - d) City Centre public realm
- 5.5 It should be noted that contributions to strategic health infrastructure were previously sought through the Plymouth Development Tariff. However, it is felt more appropriate now to include addressing health impacts as a 'Negotiated element' (see para. 1.3(b) above). This is because there is no adequate approach available at present for

calculating the health impact of a development and so any contributions will need to be on the basis of a bespoke assessment, perhaps in response to health impact assessments.

Changes relating to student housing and HMOs

- 5.6 After a lengthy period of significant growth in student numbers in the city, growth is tailing off. In consequence the impacts associated with student accommodation and able to be attributed to development are changing. In response, it is proposed to distinguish between bespoke purpose built student housing and HMOs.
- 5.7 HMOs provide accommodation for the general population (including students), and play a part in helping to provide new housing associated with the growth of the city, thus suggesting that such developments should potentially contribute to both local and strategic infrastructure tariff.
- 5.8 On the other hand purpose built student accommodation is increasingly more about providing accommodation for the existing student population than facilitating growth. The general impacts associated with purpose built student accommodation are therefore more likely to be local in nature, suggesting that such developments contribute where appropriate to local infrastructure tariff.
- 5.9 However, see para. 5.12 below which proposed new thresholds below which tariff will not be sought.

Changes to and clarification of exemptions to pay tariff

- 5.10 The distinguishing between local and strategic infrastructure described in paras. 5.1 - 5.5 will have the automatic implication of exempting developments from contributing tariff where there is not a clearly identifiable need. For example, where local infrastructure is adequate and will be for the foreseeable future there would be no case for negotiating tariff contributions to local infrastructure improvements. Sections of the previous SPD which sought to double-guess where such exemptions might be are therefore now unnecessary.
- 5.11 Notwithstanding this, there is still a need to clearly identify certain types of development that will be exempt from paying tariff and the following list is proposed, having regard to the CIL Regulations and consideration of representations made through the consultation:
- a) Developments by charitable institutions for charitable purposes (this is one of the exemptions proposed in the CIL Regulations)
 - b) Affordable housing developments by Registered Social Landlords (this too is a CIL exemption).

- c) Development of public infrastructure of the nature that, at least hypothetically, could have been funded in part through tariff contributions.
- d) Community and voluntary sector development.
- e) Use Class D1 - non-residential institutions (currently exempt in the SPD).

5.12 Additionally, amendments to the thresholds for paying tariff are proposed to exempt smaller developments. This is in response to the resource management implications of negotiating planning obligations as well as to reduce burdens on small businesses and developments. A new threshold is proposed for residential developments of five houses or, in the case of HMOs and other forms of residential accommodation, of ten bed spaces. In effect this will make permanent the temporary exemption for new dwelling houses currently provided through the 2010/11 Market Recovery Scheme.

5.13 It should be noted that exemption from the tariff does not mean that there will never be circumstances where a planning obligation needs to be negotiated. There will still be occasions where a bespoke Section 106 agreement is needed through the 'Negotiated Element' provisions (see para. 1.3(b) above). Given the changed context for the tariff described in this report, it is proposed to remove the thresholds currently in the SPD relating to when a Negotiated Element might be sought, with the exception of the threshold that is currently in place for Affordable Housing (this is set by the Core Strategy and therefore cannot be changed by an SPD).

Clarification of how commuted maintenance payments are determined through the SPD

5.14 An amendment is proposed to clarify that the tariff essentially contributes to infrastructure improvement and development costs of the City Council and other (primarily public sector) partners who will deliver this infrastructure.

5.15 Commuted payments for maintenance arise where the developer is providing infrastructure directly (e.g. a green space) and wishes the Council to adopt that infrastructure. Commuted maintenance payments are therefore 'Negotiated Elements' rather than part of the tariff.

Inclusion of 'Negotiated Element' relating to marine developments / commercial developments with impact on European Marine Site

5.16 A new section has been added, which will provide a basis for negotiating provisions where development causes an adverse impact on the European Marine Site.

Amendment to market recovery measures appendix

- 5.16 It is proposed to remove the automatic requirement for there to be a viability appraisal in order to benefit from market recovery scheme incentives. A more flexible approach is now advocated which enables judgements to be made about the need for a viability appraisal on the basis of the Council's current understanding of viability issues and the strategic importance and impacts of the development.

Other amendments

- 5.17 Other amendments have been made to:
- a) Improve the clarity and user-friendliness of the SPD.
 - b) Better explain the justification for tariff contributions to infrastructure, particularly having regard to the policy provisions of Circular 05/2005 and the Department of Communities and Local Government's New Policy Document for Planning Obligations, March 2010.
 - c) Clarify the role of the 'Negotiated Element' so that it is limited to addressing issues that the tariff itself does not address.
 - d) Update any out-of-date information, particularly in relation to affordable housing.
 - e) Refresh the evidence base document which supports the SPD.

6. NEXT STEPS AND CONCLUSION

- 6.1 Subject to Cabinet approval the SPD will go before Full Council on 2 August 2010. Subject to Full Council's approval, the document will be adopted. An Adoption Statement will then be produced and this, together with the SPD, will be made available in the Council offices and sent to all those who sent in representations about the draft SPD.

Planning Obligations and Affordable Housing SPD First Review 2010

Chapter 1 Introduction

Purpose of the Supplementary Planning Document

- 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 detailed guidance to supplement the Core Strategy for all those involved in the submission and determination of 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.
- 1.4 Specific information on formulae and how contributions have been calculated are contained in a separate document (Plymouth's Planning Obligations Evidence Base) which is available at www.plymouth.gov.uk.
- 1.5 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 (www.plymouth.gov.uk).
- 1.6 The SPD forms 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 assists the Council in securing local, sub-regional, regional and national objectives in respect of sustainable development. It is an important material consideration 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 Council's Cabinet and clearly publicised at the time.

National policy context

1.9 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.

1.10 National planning policy on planning obligations specifically is set out in Circular 05/2005 and is currently being amended, with a New Policy Document for Planning Obligations published for consultation in March 2010.

1.11 Circular 05/2005 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 environment. The Council draws attention to the following provisions which have helped inform its current approach to planning obligations particularly in relation to the Plymouth Development Tariff:

- Where the combined impact of a number of developments creates the need for infrastructure, local planning authorities are able to pool developer contributions to allow for infrastructure to be secured in a fair and equitable way (para. B21).
- Contributions can be sought where there is an existing infrastructure capacity problem (para. B15), where infrastructure has already been provided to meet the cumulative impacts of development (para. B23), and where there is a likelihood of there being a capacity problem in the future (Para B22). In this respect, the Circular seeks to avoid the problem of any spare capacity in existing infrastructure being credited to earlier developments.
- Contributions can be used to address the cumulative impacts of growth, particularly where there is a Growth Agenda (paras. B21, B22, B29).
- Contributions can be used to address the environmental mitigation arising as a result of growth (paras. B16 & B21)
- Local planning authorities are encouraged to use formulae and standard charges as quantitative indications of the level of contributions likely to be sought where appropriate (para. B33).
- These charges should not be applied in blanket form regardless of the actual impacts (para. B35).

1.12 Since April 2010 Local Authorities have the option of introducing a Community Infrastructure Levy (CIL) which is a mandatory standard charge on development to pay for infrastructure to support development

of an area. The CIL will ultimately replace tariff regimes, but it is for the Council to consider whether to adopt such an approach or to revert to a more bespoke approach to planning obligations. It will be considering this matter during the course of 2010 and 2011.

1.13 Regulation 122 of the Community Infrastructure Levy Regulations 2010 makes it unlawful for a planning obligation to constitute a reason for granting planning permission unless it meets all of three statutory tests:

1. The obligation is necessary to make the development acceptable in planning terms. This means that planning obligations should be used to make development acceptable which would be otherwise unacceptable in planning terms in accordance with published local, regional or national planning policies.
2. The obligation is directly related to the development. This means that there should be a functional or geographical link between the development and the item being provided as part of the agreement.
3. The obligation is fairly and reasonably related in scale and kind to the development. This means that developers may reasonably be expected to pay for or contribute towards the cost of additional infrastructure provision which would not have been necessary but for their development. A reasonable obligation should at least seek to restore facilities, resources and amenities to a quality equivalent to that existing before the development.

1.14 These replace the five tests set out in Circular 05/05 for a development, or any part of a development, that is capable of being charged CIL. The SPD sets out how each of its planning obligation element has the potential to meet each test, but each planning obligation will also need to be justified on its own merits.

Local policy context

1.15 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:

- Meet the reasonable cost of new infrastructure made necessary by the proposal, including transport, utilities, education, community facilities, health, leisure and waste management.

- 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.
- Offset the loss of any significant amenity or resource through compensatory provision elsewhere.
- Provide for the ongoing maintenance of facilities provided as a result of the development.

1.16 This SPD provides further detail on the implementation of this policy. Para. 16.11 of the Core Strategy distinguishes between the need for planning obligations to deal with strategic issues in support of the City's growth vision (including the need for major new sports and transport infrastructure) and local needs (such as schools and playing pitches). Additionally para. 16.8 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.

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

1.18 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:

- 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.
- 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.
- 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.
- 20% of all new dwellings will be built to "Lifetime Homes" standard.
- 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

1.19 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 Chapter 5.

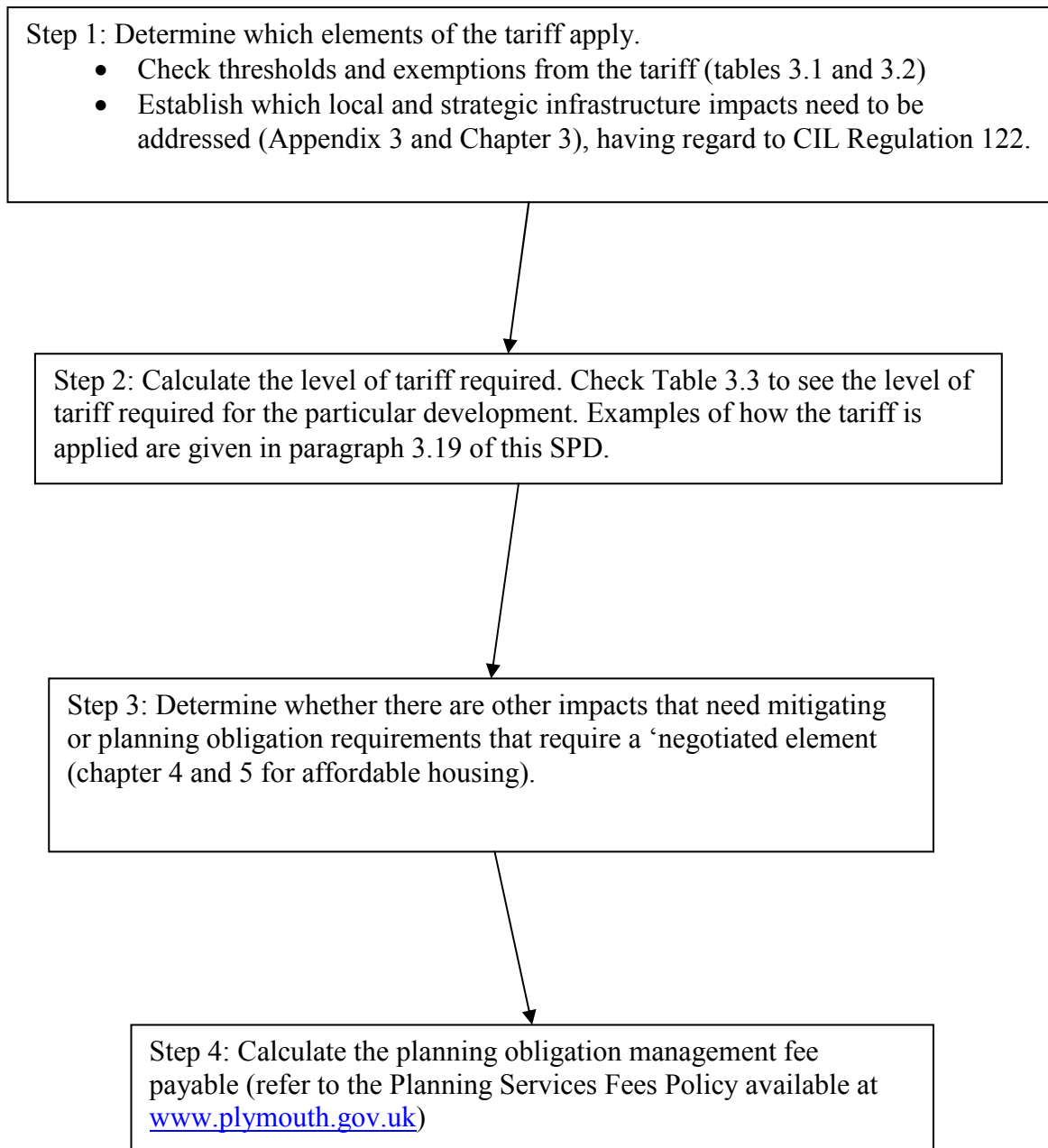
Chapter 2 Planning Obligation Framework

2.1 The Council's approach to planning obligations is based on two primary elements: the 'Plymouth Development Tariff', to address the cumulative impacts of development on infrastructure needs, and a bespoke 'Negotiated Element' to address any specific impacts or planning obligation requirements that are not covered by the Tariff. However, it is the Council's intention to limit as far as possible the need for a Negotiated Element and to address infrastructure implications of development, where possible, through the Tariff. Both will be implemented through standard Section 106 Agreements or Unilateral Undertakings.

2.2 Figure 2.1 overleaf provides a guide to using the SPD so as to determine the level of planning obligations required in relation to a particular development.

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.

Figure 2.1 The process for assessing and calculating planning obligations¹



¹ Applicants should check with the Council whether any market recovery schemes are in place at the time of the application, which affect tariff payments and planning obligations. The Market Recovery Scheme is published on the Council's website.

Chapter 3 The Plymouth Development Tariff

- 3.1** The Plymouth Development Tariff is a formula-based standard charge which is calculated on a dwelling size (number of bedrooms) or gross internal floorspace (sq m) basis. It reflects the calculated impact of different types of development on different planning obligation matters. 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.
- 3.2** The tariff represents an indicative figure and will not be applied in blanket form, regardless of the actual impacts of the development. It is a basis for negotiation, having regard to the merits of each case.
- 3.3** This chapter sets out the detail of the Plymouth Development Tariff. Specifically, it identifies:
- What the tariff contributes towards;
 - The developments which are required to contribute;
 - The level of contribution developments may be required to make;
 - How the tariff will be spent.

What does the tariff contribute towards?

- 3.4** The Plymouth Development Tariff seeks contributions to address the cumulative impacts of development on both local and strategic infrastructure.
- 3.5** Local infrastructure is defined here as infrastructure that is necessary to make a neighbourhood or locality of the city more sustainable. In the context of the Plymouth Development Tariff it includes:
- a. Local schools
 - b. Libraries
 - c. Local health facilities
 - d. Playing pitches
 - e. Local green space and children's play areas
- 3.6** Strategic infrastructure is defined here as infrastructure that is often provided at a higher spatial level than that of the neighbourhood or locality of the city, to serve the wider needs of the city. It includes the 'big kit' infrastructure necessary to provide for the sustainable growth of the city; centralised facilities (in one or more locations) that provide the critical mass necessary for providing high quality services; and natural infrastructure (the environment) which is impacted by population growth.

In the context of the Plymouth Development Tariff strategic infrastructure includes:

- a. Strategic sports and leisure facilities
- b. Strategic green spaces
- c. The European Marine Site
- d. Strategic transport
- e. City Centre public realm.

3.7 In the future the Council may expand the list of contributions included in the Plymouth Development Tariff.

Which developments are required to contribute?

3.8 The Plymouth Development Tariff potentially affects most new developments. Exceptions to this are identified below.

3.9 Firstly, some types of development are exempt from the Plymouth Development Tariff because they fall below a threshold which the Council has set to ensure an efficient use of Council resources and to reduce burdens on small businesses and developments. These thresholds are identified in Table 3.1 below.

Table 3.1 Plymouth Development Tariff thresholds

Type of development	Threshold below which tariff is not sought
Residential developments (C3 Use Class)	5 dwellings
Other forms of residential development (including HMOs, purpose built student accommodation and residential institutions)	10 bed spaces
Other developments (including commercial, retail, hotel, leisure or non residential <i>sui generis</i> uses)	500 sq m gross internal floorspace

3.10 In relation to planning applications for non-residential developments comprising multiple units, the tariff will be calculated on the basis of the cumulative gross internal floorspace for the applications as a whole. Where a development exceeds the threshold, tariff will be applied to the whole development and not just that part which is above the threshold level.

3.11 The thresholds may occasionally be increased as part of Market Recovery Schemes (see Appendix 1). Market Recovery Schemes in place will be publicised on the Council's website (weblink).

3.12 Secondly, some types of development are exempt from the Plymouth Development Tariff to achieve consistency with the Community Infrastructure Levy exemptions and given wider public benefits. These exemptions are identified in Table 3.2 below:

Table 3.2 Exemptions from Plymouth Development Tariff

Type of development	Exemption from tariff
Developments by charitable institutions for charitable purposes	Exempt from all tariff
Affordable housing developments by Registered Social Landlords	Exempt from all tariff
Development of public infrastructure of the nature that, at least hypothetically, could have been funded in part through tariff contributions	Exempt from all tariff
Community and voluntary sector development	Exempt from all tariff
Use Class D1 (non-residential institutions)	Exempt from all tariff

3.13 In addition, the requirements of the tariff will only be applied where the planning obligation satisfies the three statutory tests of the CIL Regulations (see para. 1.13 above). So for example, sheltered housing or purpose built student accommodation will not be required to contribute towards education because these proposals are unlikely to have an impact on schools infrastructure.

3.14 Exemption from tariff does not mean that a planning obligation will not be sought as part of a negotiated element agreement. There may be direct impacts of such significance that still justify a planning obligation to make the development acceptable in planning terms.

3.15 Appendix 3 includes a guide as to when the provisions of the tariff are likely to apply to each Use Class.

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

3.16 Table 3.1 overleaf sets out the indicative costs of the Plymouth Development Tariff per residential dwelling unit / bed spaces and per 100 sq m of all other development floorspace. 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.

3.17 To calculate the potential level of tariff payable on a residential development, developers should input the number and size of residential units. In the case of HMOs, student housing and other residential developments they should input the number of bed spaces. For other developments they should input the gross internal floorspace area. This will then provide a calculation of the value of the Plymouth Development Tariff Charge.

3.18 A calculator table can be found on the City Council's website at www.plymouth.gov.uk. 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). See Appendix 3 for guidance on which tariff elements apply to developments by Use Class. Information about how the tariff has been calculated is set out in the accompanying Plymouth Planning Obligations Evidence Base document

Development Size/ Enter no of units or square metres *	Number of Units/ Bed Spaces							Square Metres	
	1 bedroom unit	2 bedroom flat	2 bedroom house	3 bedroom unit	4 bedroom unit	5+ bedroom unit	Per bed space	Per Retail 100 Sq m	Per Commercial 100 Sq m
Local infrastructure									
Schools	£0	£2,083.69	£2,083.69	£2,696.54	£3,064.25	£3,064.25	£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	£325.58	£455.33	£599.76	£641.38	£697.68	£766.22	£244.80		
Children's play space	£233	£325.9	£429.2	£459.02	£499.3	£548.4	£175.19	£0	£0
Playing pitches	£590.60	£825.95	£1087.95	£1163.44	£1265.57	£1389.91	£444.06	£0	£0
Strategic infrastructure									
Green space	£726.19	£1015.58	£1337.27	£1430.55	£1556.13	£1709.01	£546.01	£0	£0
European Marine Site	£17.16	£23.99	£31.6	£33.93	£36.76	£40.38	£12.90	£0	£0
Sports facilities	£464	£649	£855	£914	£994	£1092	£349	£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
TARIFF SUB TOTAL	£5,616.53	£9,511.44	£10,729.47	£12,417.86	£13,970.69	£15,268.17	£4,271.96	£5,606.00	£2,189.00
Management fee	Reviewed annually and published in Planning Service's Fees Policy; applies to all Section 106 Agreements, see para. 6.21								
TOTAL DEVELOPER CONTRIBUTION	Total tariff + Management fee.								

Table 3.3: Indicative Standard Charges for Plymouth Development Tariff.

3.19 The tariff will seek to address the net increase in impact arising from the development. This can normally be assessed by subtracting the tariff that would have applied to the existing development from the total tariff calculated for the new development. This is illustrated in the worked examples below. However, this is only a general rule as factors such as the qualitative difference between existing and proposed development may be relevant. (e.g. changes within the same Use Class where the new development is of an entirely different quality and therefore has much wider impacts per sq.m. floorspace). Such cases will need to be considered on their particular merits.

Example 1: demolition of two five bedroom houses (C3) and construction of ten, two bedroom flats (C3).

Refer to Appendix 3 of this SPD for a guide to Plymouth's approach to planning obligations for this Use Class and to Figure 2.1 for the steps that should be followed.

Step 1: determine whether the development is liable to pay tariff, and which elements of the tariff are required. Only the parts of the tariff that meet the three tests of CIL Regulation 122 can be charged. This will be determined on a case by case basis. Appendix 3 shows that for C3 uses each of the strategic infrastructure tariffs are applicable as the proposal increases the city's housing stock. It also shows that some local infrastructure tariffs are applicable and others may be, depending on the location of the development. In the case of this C3 example, it is assumed that all tariff elements are required.

Local infrastructure requirements	Strategic infrastructure requirements
Schools ✓	Green space ✓
Health ✓	European Marine Site ✓
Libraries ✓	Sports facilities ✓
Green space ✓	Public realm ✓
Children's play space ✓	Transport ✓
Playing pitches ✓	

Step 2: to calculate the tariff payable, refer to Table 3.3 for tariff levels. The tariff for the proposed development (ten two bedroom flats), if all tariff elements apply, is $£9,511 \times 10 = £95,110$.

The full tariff required for the existing development (two 5-bedroom houses) is $£15,268 \times 2 = £30,536$.

The tariff contribution for this development would be the difference between the existing development and proposed development ($£95,110 - £30,536$) = $£64,574$.

Step 3: The need for a negotiated element will be determined on a case by case basis and will normally apply where there are impacts that need mitigating which are not addressed by the tariff.

Step 4: A planning obligation management fee will be charged (see paragraph 6.20). This is set out in the Planning Services Fees Policy (www.plymouth.gov.uk).

Example 2: mixed use development of 4,000 square metres (gross internal floor space) consisting of 3,700 square metres of offices (B1 use class) and 300 square metres of retail (A1 use class) on street level.

Step 1: determine whether the development is liable to pay tariff and which elements of the tariff are required. Only the parts of the tariff that meet the three tests of CIL Regulation 122 can be charged. This will be determined on a case by case basis. In the case of this example, the only tariff requirement is for strategic transport.

Local infrastructure requirements	Strategic infrastructure requirements
Schools x	Green space x
Health x	European Marine Site x
Libraries x	Sports facilities x
Green space x	Public realm x
Children's play space x	Transport ✓
Playing pitches x	

Step 2: to calculate the tariff payable, refer to Table 3.3 for tariff levels. The tariff for the proposed development is £2,189 per 100 square metres of offices and £5,606 per 100 square metres of retail. (Note: Although the retail provision is less than 500 square feet which is the threshold for stand-alone retail projects, it is part of a mixed use development and is therefore not considered to be below the threshold.)

The full tariff required for the development is (37 x £2,189 for the office space) + (3 x £5,606 for the retail space) = £97,211.

Step 3: The need for a negotiated element will be determined on a case by case basis and will normally apply where there are impacts that need mitigating which are not addressed by the tariff.

Step 4: A management fee will be charged. This is set out in the Planning Services Fees Policy (www.plymouth.gov.uk).

How will the tariff be spent?

3.20 In all cases the tariff will be spent addressing the need to which it contributes. This means that local infrastructure contributions will be spent on the specific local need arising from the development, and strategic infrastructure contributions will be spent on strategic needs arising. The Council's governance framework for implementing planning obligations will provide safeguards to ensure that tariff money is spent in accordance

with this principle. Each planning obligation is individually identified by a unique code in the Council's financial records in order to be able to track precisely how the money is spent.

- 3.21** The following paragraphs take each planning obligation matter in turn, setting out the justification for its inclusion within the Plymouth Development Tariff against the three tests in Regulation 122 of the CIL Regulations 2010. More information on the setting of tariff levels in relation to these matters can be found in Plymouth's Planning Obligations Evidence Base Document, July 2010. This can be viewed on the Council's website www.plymouth.gov.uk.

Local schools tariff

- 3.22** Primary schools are local infrastructure in that their need is generated at a local level. Where tariff is collected, it will therefore need to be spent in the relevant local area, and this will be ensured through the Council's governance arrangements for authorising tariff spend.
- 3.23 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 SO9 (Delivering Educational Improvements) and CS14 (new Education Facilities) set a spatial planning framework for education which will support positive improvements to school provision in Plymouth as outlined in the School Implementation Plan 2005 – 2015 and the Investment for Children: Strategy for Change.
- 3.24** Education 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".
- 3.25** Core Strategy Policy CS33 (Community Benefits/ Planning Obligations) requires that developments must meet the reasonable cost of new infrastructure made necessary by the proposal, and this specifically identifies education as one of the areas of infrastructure.
- 3.26** For the time being tariff is only charged for primary schools. Many primary schools in the city are at capacity now or will reach capacity during the course of the Core Strategy plan period (2006-2021) without further investment. Planning obligations are therefore going to be necessary in many cases to make the development acceptable in planning terms, satisfying Test One of the CIL Regulations (Regulation 122).
- 3.27** There is a clear functional and geographical relationship between a development which is likely to accommodate families with young children

and a need for places in a local school. Planning obligations are therefore likely to be directly related to the development, satisfying Test Two of the CIL Regulations (Regulation 122).

- 3.28** The local schools tariff calculation is based upon the number of pupils generated by dwellings of different sizes, and cost multipliers based on the cost per pupil for additional pupil places, as set out in Plymouth's Planning Obligations Evidence Base document. This approach means that planning obligations are likely to be fairly and reasonably related in scale and kind to the development, satisfying Test Three of the CIL Regulations (Regulation 122).
- 3.29** At some stage in the future the Council may collect contributions for strategic education infrastructure, such as secondary schools, which have much wider catchments and are substantially affected by parental choice. But this will probably be considered as part of our review of whether or not to proceed into a full Community Infrastructure Levy process.

Local health tariff

- 3.30** Primary healthcare facilities such as GP surgeries are primarily local infrastructure in that their need is generated at the local level. The Plymouth Development Tariff contribution towards primary health facilities is therefore a local infrastructure requirement. Where tariff is collected, it will therefore need to be spent in the relevant locality, and this will be ensured through the Council's governance arrangements for authorising tariff spend.
- 3.31** The Plymouth Primary Care Trust provides a network of primary care facilities and services throughout the city. The Council recognises the social benefits of the provision of excellent primary healthcare facilities to the community. New residential developments put pressure on existing health facilities and cumulatively create the need for additional facilities and services.
- 3.32** Government guidance as contained within Circular 05/2005 para. B15 states that "if a proposed development would give rise to the need for additional or expanded 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."
- 3.33** 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.
- 3.34** The SPD supports the implementation of the aims of the Public Health Development Unit (PHDU) that works to improve and protect the health and well-being of the population of Plymouth. This includes the inter-agency 'Healthy Plymouth Strategy', which is the city-wide framework agreed by the Local Strategic Partnership that aims to reduce health inequalities across Plymouth and inform, influence and challenge partners to improve health and well-being in Plymouth.

- 3.35 A number of primary care facilities will require new investment to cope with pressures arising from the growth of the city. In these localities, planning obligations are likely to be necessary to make the development acceptable in planning terms, satisfying Test One of the CIL Regulations (Regulation 122).
- 3.36 There is a clear functional and geographical relationship between a development which is likely to generate demand for primary healthcare services and a planning obligation which seeks to address that demand in the local area. Such planning obligations are therefore likely to be directly related to the development, satisfying Test Two of the CIL Regulations (Regulation 122).
- 3.37 The local health tariff calculation is based upon a standard of provision per population and a capital cost per sq m as set out in Plymouth's Planning Obligations Evidence Base document. This approach means that planning obligations are likely to be fairly and reasonably related in scale and kind to the development, satisfying Test Three of the CIL Regulations (Regulation 122).

Libraries tariff

- 3.38 Libraries are primarily local infrastructure in that their need is generated at a local level. The Plymouth Development Tariff contribution towards libraries is therefore a local infrastructure requirement. Where tariff is collected, it will therefore need to be spent in the relevant locality, and this will be ensured through the Council's governance arrangements for authorising tariff spend.
- 3.39 The Library Service needs to provide a network of well stocked local libraries throughout the city with the Central Library at the hub. It is therefore reasonable to expect developers to contribute towards the costs of library infrastructure where the need arises directly from the development.
- 3.40 Government Circular 05/05 (para. B15) is concerned with using planning obligations to mitigate the impact of a development. It 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".
- 3.41 The Core Strategy's Strategic Objective 2 (Delivering the City Vision), 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, education and health facilities". Policy CS33 (Community Benefits/ Planning Obligations) requires that developments must meet the reasonable cost of new infrastructure made necessary by the proposal, and this identifies community facilities (which includes libraries) as one of the areas of infrastructure.
- 3.42 A number of libraries in the city will require new investment to cope with pressures arising from the growth of the city. In these localities, planning

obligations are likely to be necessary to make the development acceptable in planning terms, satisfying Test One of the CIL Regulations (Regulation 122).

- 3.43** There is a clear functional and geographical relationship between a development which is likely to generate demand for library services and a planning obligation which seeks to address that demand in the local areas. Such planning obligations are therefore likely to be directly related to the development, satisfying Test Two of the CIL Regulations (Regulation 122).
- 3.44** The libraries tariff calculation is based upon a recommended minimum library floorspace standard of 30 sq m per 1000 population, alongside a national cost calculator, adjusted to reflect building costs in the South West as set out in Plymouth's Planning Obligations Evidence Base document. This approach means that planning obligations are likely to be fairly and reasonably related in scale and kind to the development, satisfying Test Three of the CIL Regulations (Regulation 122).

Green space, children's play areas and Plymouth Sound and Estuaries European Marine Site (EMS) tariffs

- 3.45** Green spaces and play spaces are integral to the life of the city – they provide breathing space and are crucial to the successful functioning of the city's neighbourhoods. They are places to relax and enjoy the natural environment away from the stresses of everyday life, to take children to play, and for exercise. Green spaces and play spaces are also important for people's health and well-being, both physical and mental, and for reducing the negative effects of climate change. New residential development creates the need for local green spaces and play spaces that meet day to day needs and for strategic green space including the EMS that provides a city-wide amenity. This part of the tariff therefore covers both local and strategic infrastructure elements.
- 3.46** The local infrastructure elements are:
- Children's play space
 - Local green space
- 3.47** These spaces are crucial for creating sustainable neighbourhoods with high quality of life. Where tariff is collected for local green space and play space, it will therefore need to be spent in the relevant locality, and this will be ensured through the Council's governance arrangements for authorising tariff spend.
- 3.48** The strategic infrastructure elements are:
- Strategic green space
 - Local Nature Reserves

- Allotments
- Plymouth Sound and Estuaries EMS.

3.49 These types of green infrastructure are crucial for the overall sustainability of Plymouth's growth. The Plymouth Green Infrastructure Delivery Plan and Green Space Strategy acknowledge the need for major city and sub-regional green spaces and strategic green infrastructure investments to support the Plymouth Growth Agenda in the context of sustainable environmental management (including responding to pressures on Dartmoor National Park and the nearby Areas of Outstanding Natural Beauty). The Green Space Strategy also recognises the importance of local nature reserves to the city's biodiversity and allotments for the health and wellbeing of the population.

3.50 Furthermore, as a waterfront city, the coastal and estuaries environment is a critical aspect of Plymouth's 'green' resource. The Tamar Estuaries Complex is recognised as a European Marine Site (EMS), being of European importance for the biodiversity that it supports. It is designated as a Special Area of Conservation (SAC) and parts are also designated as a Special Protection Area (SPA). The need to address these strategic issues was identified as of key significance in the Habitat Regulations Assessment of the Core Strategy.

3.51 Planning obligations have an important role to play in ensuring that the green infrastructure impacts and needs of new development are met. Specific national policy support for using planning obligations in this way can be found in Circular 05/2005 (Para B15) and Planning Policy Guidance Note 17 (PPG17) (Paras 23 & 33), the latter of which 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. 33 also states that "Local authorities will be justified in seeking planning obligations where the quantity or quality of provision is inadequate or under threat, or where new development increases local needs".

3.52 Plymouth's Green Space Strategy sets out standards and targets to protect and improve the quantity, quality and accessibility of green space in the city. Objective GSS01 sets a target of 5.09 hectares of accessible green space per 1000 population. While it is not feasible for every neighbourhood in the city to achieve this standard, many neighbourhoods in the city currently fall well below this target. Objective GSS06 sets a target that everyone should have an accessible green space within 400m of where they live and work, while Objective GSS07 sets a target that everyone should have a play space within 600m of where they live. The majority of neighbourhoods in the city contain areas that fall outside these targets. Objective GSS08 sets a target that all local green spaces should be at least of a 'good' quality as measured by Plymouth's quality audit indicators. Currently, several local green spaces fall below this standard. With population growth, investment will be needed to maintain as well as enhance quality.

- 3.53 Additional justification and policy context for seeking contributions towards the natural environment and EMS is provided by Planning Policy Statement 9 (PPS9) 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.
- 3.54** The requirement for planning obligations is further supported by Core Strategy Policy CS30 (Sport, Recreation and Children's Play Facilities) 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 (Wildlife) note the importance of supporting a richness of biological and geological diversity, underpinning the creation of sustainable neighbourhoods. Area Vision 10 (Plymouth Sound and Estuaries) states that the Council's aim is "To conserve and enhance Plymouth's unique coastal and waterfront setting, promoting an integrated management approach to its sustainable development". Area Vision 7 (Central Park), 8 (North Plymstock) and 9 (Derriford and Seaton) set out proposals to enhance Central Park and to create new destination parks in the Eastern Corridor and the Northern Corridor. Plymouth's Green Infrastructure Strategy sets out more detailed proposals for the establishment and delivery of the two new strategic parks. Policy CS33 (Community Benefits/ Planning Obligations) states that planning obligations can contribute to the delivery of strategic infrastructure to support the city vision.
- 3.55** Each new home potentially has an impact on the city's existing green space and marine space, or creates a need for new green spaces. The same is true of play areas for family homes. Planning obligations for residential developments are likely to be necessary for both local and strategic green space, including the EMS, to make the development acceptable in planning terms, satisfying Test One of the CIL Regulations (Regulation 122).
- 3.56** There is a clear functional and geographical relationship between a development which is likely to generate use of green spaces, play areas and the marine environment and a planning obligation which seeks to address the cost implications generated from that use. The local element of the green space tariff will support provision and enhancement of green space within the vicinity of the development while the play space element of the tariff will support provision and enhancement of local play spaces. The local green space tariff will contribute to meeting local deficiencies in the quantity, quality or accessibility of local green space as identified by the Green Space Strategy and Sustainable Neighbourhood Assessments. The play space tariff will also be used to enhance existing play spaces, where appropriate, or to create new play spaces where there is an identified deficiency of provision. The strategic element of the green space tariff will support the delivery and enhancement of strategic green infrastructure, including allotments and the city's local nature reserves.

The EMS tariff will support the conservation and protection of Plymouth Sound and Estuaries. Such planning obligations are therefore likely to be directly related to the development, satisfying Test Two of the CIL Regulations (Regulation 122).

3.57 PPG17 states that local authorities need to set appropriate local standards for green space and play space provision based on detailed assessments of needs and audits of existing provision. The Green Space Strategy addresses this requirement by setting a local standard of provision for green space and children's play space in Objective GSS01 (Plymouth's Accessible Green Space Standard). The tariff for green space and play space is calculated on the basis of Plymouth's local standard (expressed as requirements per person, related to dwelling size) with costs identified from data supplied by CABI Space. The tariff for the EMS is based on an assessment of the management costs per head to maintain the site's conservation quality. These approaches, which are set out in Plymouth's Planning Obligation Evidence Base document, mean that planning obligations are likely to be fairly and reasonably related in scale and kind to the development, satisfying Test Three of the CIL Regulations (Regulation 122).

Sports, recreation and playing pitch tariff

3.58 Sport and physical activity improve health, fitness and well-being. Providing sport and recreation facilities to meet the needs of new residents is therefore a priority. Sport and recreation facilities contain both local and strategic elements of infrastructure. Playing pitches serve mainly local needs and come under local infrastructure for the tariff. Where tariff is collected for local playing pitches, it will therefore need to be spent in the relevant local area, and this will be ensured through the Council's governance arrangements for authorising tariff spend. Specialist sports facilities tend to serve a city-wide population. Indeed, the Life Centre will be a sub-regional facility.

3.59 The sports and recreation tariff is therefore divided into:

- Local infrastructure: playing pitches
- Strategic infrastructure: sports facilities (including swimming pools, indoor sports halls and indoor bowling):.

3.60 Specific national policy support for using planning obligations in this way can be found in Circular 05/2005 (para. B15) and PPG17. The latter 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).

3.61 The requirement for planning obligations is further supported by Core Strategy Policy CS30 (Sport, Recreation and Children's Play Facilities), 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". CS30 also seeks to enhance the

city's sport and recreation facilities by delivering major new facilities at the following locations: Central Park Life Centre, Manadon and Devonport Brickfields. Para 16.11 of the Core Strategy specifically refers to the Life Centre as an example of strategic infrastructure that pooled contributions could be put towards. The project is the Council's strategic response to an unmet need in the city for high quality sports facilities and a key Growth Agenda priority.

- 3.62** PPG17 para. 33 states that "Local authorities will be justified in seeking planning obligations where the quantity or quality of provision is inadequate or under threat, or where new development increases local needs". It also states that local authorities need to set appropriate local standards based on detailed assessments of needs and audits of existing provision. This requirement has been met with Plymouth's Playing Pitch Strategy and the Sports Facilities Strategy.
- 3.63** Taking the local sports and recreation tariff first, the Playing Pitch Strategy sets out a local standard for playing pitch provision for three different sub-areas of the city based on a detailed analysis of demand and supply. It identifies a need for investment in new and improved playing pitches in each of three sub areas of the city. Most new residential developments potentially create a demand for use of playing pitches. Planning obligations for such developments are therefore likely to be necessary to make the development acceptable in planning terms, satisfying Test One of the CIL Regulations (Regulation 122).
- 3.64** In respect of the strategic sports and recreation infrastructure tariff, the Sports Facilities Strategy sets out standards for provision of sport and recreation facilities and identifies a hierarchy of provision based on the quality of facilities. It identifies a considerable need for new investment even for the existing population. Development contributing to the growth of the city will only increase the need for such investment. Planning obligations for residential developments are therefore likely to be necessary to make the development acceptable in planning terms, satisfying Test One of the CIL Regulations (Regulation 122).
- 3.65** There is a clear functional and geographical relationship between a development which is likely to generate use of sports and recreation facilities and a planning obligation which seeks to address the cost implications generated from that use. The playing pitch tariff will be spent within the sub-area of the city within which the development takes place. The playing pitch tariff set out in Table 3.3 is the average for the city based on individual tariff levels for the three sub-areas of the city (please refer to Plymouth's Planning Obligations Evidence Base document for more details on tariff levels for playing pitches). The strategic sports and recreation tariff will be spent on facilities of city and sub-regional importance in accordance with the Sports Facilities Strategy. Such planning obligations are therefore likely to be directly related to the development, satisfying Test Two of the CIL Regulations (Regulation 122).
- 3.66** The tariffs for playing pitches and for sports and recreation facilities are calculated on the basis of Plymouth's local standards (expressed as

requirements per person, related to dwelling size) as set out in Plymouth's Planning Obligations Evidence Base document. This approach means that planning obligations are likely to be fairly and reasonably related in scale and kind to the development, satisfying Test Three of the CIL Regulations (Regulation 122).

Public realm tariff

- 3.67** Public realm is identified as a strategic element of the tariff, because the primary focus for public realm improvement is the City Centre as the primary commercial centre for Plymouth.
- 3.68** The City Centre is a regional centre of great importance to the South West and provides services to the entire population of Plymouth. This includes shopping, leisure and employment. Investment in public realm will play a crucial part in helping the City Centre to stay vibrant and fulfill its potential for serving the people of Plymouth and beyond. Public realm draws people to centres, provides healthy, safe and attractive environments, and creates a positive image for the attraction of investment in new and improved facilities.
- 3.69** Planning Policy Statement 1 (PPS1) 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.
- 3.70** Core Strategy Policy CS34 (Planning Application Considerations) states that "Planning permission will be granted if all relevant considerations are properly addressed. These will include whether the development: 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 City Centre and University Area Action Plan provide a context for promoting policies and proposals that will benefit the future viability and vitality of the City Centre'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.
- 3.71** Policy CS33 (Community Benefits/ Planning Obligations) also allows for obligations to contribute to the delivery of strategic infrastructure, responding to the cumulative impacts of developments and the delivery of the City Vision. The City Centre's public realm is one of the key elements of infrastructure necessary to deliver the Plymouth's growth vision. Given that the City Centre is a facility for use by all people in the city, residential development will cumulatively create an impact on and demand for use of its facilities and spaces. Furthermore, improvements to the City Centre's public realm will be to the wider benefit of the city. Planning obligations for such developments are therefore likely to be necessary to make the

development acceptable in planning terms, satisfying Test One of the CIL Regulations (Regulation 122).

- 3.72** There is a clear functional and geographical relationship between a development which is likely to generate use of the City Centre and a planning obligation which seeks to address the cost implications generated from that use. Such planning obligations are therefore likely to be directly related to the development, satisfying Test Two of the CIL Regulations (Regulation 122).
- 3.73** The tariff for Plymouth's public realm is based on the cost per head of improving the City Centre public realm as set out in Plymouth's Planning Obligations Evidence Base document. This approach means that planning obligations are likely to be fairly and reasonably related in scale and kind to the development, satisfying Test Three of the CIL Regulations (Regulation 122).

Transport tariff

- 3.74** Investment in strategic transport infrastructure represents one of the greatest challenges to the Plymouth growth agenda. 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. It is critical to the successful and sustainable growth of the city that major transport improvements are delivered. Without this, the level of growth necessary to achieve the City Vision will not be possible. Transport therefore is considered as strategic infrastructure.
- 3.75** Planning Policy Guidance Note 13 (PPG13) para. 85 provides 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 para. B15.
- 3.76** Core Strategy Policy CS28 (Local Transport Considerations) 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
 - 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.

3.77 Policy CS33 (Community Benefits/ Planning Obligations) requires that developments must meet the reasonable cost of new infrastructure made necessary by the proposal, and this specifically identifies transport as one of the areas of infrastructure. It also allows for obligations to contribute to the delivery of strategic infrastructure, responding to the cumulative impacts of developments and the delivery of the City Vision. Para. 16.11 of the Core Strategy specifically refers to major transport initiatives as an example of strategic infrastructure that pooled contributions could be put towards.

3.78 Although there may be local access implications associated with a development (which can be addressed through the 'Negotiated Element' of a planning obligation), the tariff is concerned with the strategic transport implications. Because the strategic transport network is a system covering a wide area, problems in one part of the network can be transferred right across the city. New developments generate additional trips which 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. Each person travelling in Plymouth therefore contributes to the need for investment in strategic transport infrastructure. Planning obligations are therefore likely to be necessary to make the development acceptable in planning terms, satisfying Test One of the CIL Regulations (Regulation 122).

3.79 There will be a functional link where developments generate additional travel movements on the city's strategic transport network. Furthermore, the Council will use strategic transport tariff to address the priority structural transport interventions necessary to make the entire network function efficiently, effectively and in accordance with principles of sustainability and transport choice. In particular this will be through its High Quality Public Transport Network. Such planning obligations are therefore likely to be directly related to the development, satisfying Test Two of the CIL Regulations (Regulation 122).

3.80 The tariff for strategic transport is based on the cost per head of providing a High Quality Public Transport network as set out in Plymouth's Planning Obligations Evidence Base document. This approach means that planning obligations are likely to be fairly and reasonably related in scale and kind to the development, satisfying Test Three of the CIL Regulations (Regulation 122).

Chapter 4 The Negotiated Element

4.1 This chapter sets out some of the elements that may form part of a planning obligation as part 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.

Affordable housing is discussed in Chapter 5.

What planning obligation matters do developments contribute towards?

4.2 In addition to the requirements of the Plymouth Development Tariff, there may also need to be additional elements to the planning obligation, particularly 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:

- Local transport and access, including Travel Plans
- Community facilities
- Specialised health facilities
- Economic development
- Offsetting carbon targets
- Nature conservation
- Plymouth Sound and Estuaries European Marine Site.

What developments may be required to contribute?

4.3 The Negotiated Element will normally apply to larger developments. However, decisions about this element of planning obligations will be decided on a case by case basis, dependent on the identified impacts. Affordable housing requirements will apply to developments of 15 homes or more.

4.4 The following paragraphs will take each negotiated planning obligation matter in turn, setting out the justification for its inclusion within the SPD. Affordable housing is considered in Chapter 5 as this also includes an explanation of how affordable housing requirements are calculated. More information on how the negotiated element is calculated can be found in Plymouth's Planning Obligations Evidence Base Document that accompanies this SPD.

Local transport access

4.5 In addition to the Plymouth Development Tariff, developments may be required to contribute towards local transport and access improvements to and from the development site which are necessary to make the planning application acceptable. The Council envisages that the majority of sites will not require specific local improvements due to transport and access issues being addressed as part of the scheme design. This matter will however be determined on a case by case basis.

4.6 Contributions may be required for:

- New access roads
- Improved junction layouts
- Extra car parking facilities
- Contributions to improving public transport accessibility
- Improved measures for cyclists/ pedestrians.

4.7 When developers apply for planning permission, the Council may ask them to produce a Transport Assessment (TA) or Transport Statement (TS) to provide a technical assessment of all the accessibility issues and transport implications that may arise due to the development. The TA or TS may be used in negotiating specific local off-site access improvements to allow the Council to assess the impact of the development plus any mitigation measures proposed as necessary. The Council may seek a financial contribution from the applicant to fund the provision of any necessary mitigation measures in the form of a Section 278 or 106 Agreement.

4.8 The wider transport implications of a development may also be addressed, in whole or part, through a Travel Plan. Guidance on Travel Plans is provided in Section 8.4 of the Development Guidelines Supplementary Planning Document.

4.8 PPG13 and Circular 05/2005 provide 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 para. B15.

4.9 Transport improvements will be negotiated on a case by case basis and related in appropriateness and scale to the specific development. Such development enabling works will not be offset against a developer's tariff contribution unless it can be demonstrated that they contribute directly to strategic transport infrastructure, in which case part or total offsetting may be allowed at the Council's discretion.

Further information on transport

The Development Guidelines SPD is available at www.plymouth.gov.uk

PPG13 Transport (2001) is available at www.communities.gov.uk

Community facilities

4.10 Community facilities are vital to the vibrancy and success of local communities. They can come in many forms, including meeting places, youth centres, places of worship, local theatres and cultural facilities and

local heritage facilities. Contributions to some community facilities are provided for in the SPD through the Plymouth Development Tariff. This includes schools, libraries, and green spaces and sports and recreation facilities. However, there will be occasions when it is appropriate to have a bespoke planning obligation relating to community facilities as part of the 'Negotiated Element'.

- 4.11** New developments can impose extra costs on service providers at a time when resources are stretched. 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.
- 4.12** 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".
- 4.13** Government Circular 05/05 (para. B15) is concerned with using planning obligations to mitigate the impact of a development. It 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".
- 4.14** Applications will be assessed individually to determine if they will place strain on existing, or create a demand for new, facilities and therefore require a planning obligation to be negotiated. This is only likely to be the case with larger developments. In making its assessment the Council will have regard to its evidence, including its Sustainable Neighbourhood Assessments and other neighbourhood and locality data.

Further information on community facilities

The Vital Spark – a cultural strategy for the city of Plymouth 2009 – 2020 can be accessed on www.plymouth.gov.uk

Specialised health facilities

- 4.15** The Council recognises the social benefits of the provision of excellent medical and health facilities to the community. New residential developments put pressure on existing health facilities and cumulatively create the need for additional facilities and services.
- 4.16** Government guidance as contained within Circular 05/2005 paragraph. B15 states that "if a proposed development would 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."
- 4.17** 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. Policy CS31 (Health Care Provision) seeks to improve the health of the city through requiring all major development proposals to be subject to Health Impact Assessment.

- 4.18 Contributions may be sought towards the capital costs of addressing impacts on health facilities that are not covered by the tariff. This could include bespoke impacts that are identified by a health impact assessment. Applications will be assessed individually to determine if they will place strain on existing, or create a demand for new services and therefore require a planning obligation to be negotiated. This is only likely to be the case with larger developments. Contributions will be appropriate to the scale and nature of the development.

Economic development

- 4.19 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 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.
- 4.20 The use of planning obligations is outlined in Government Circular 05/2005 and in PPS1 (2005, para. 5), 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".
- 4.21 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. In addition, the Core Strategy sets out strategic objectives for the economy of the city. Policy CS04 (Future Employment Provision) states that "the Council will support a step-change in the performance of Plymouth's economy through supporting the provision of childcare facilities close to places of employment and promoting local labour agreements with developers to enable local people in deprived communities to secure employment and skills development".
- 4.22 Plymouth's Local Economic Strategy 2006-2021 promotes the harnessing of development benefits (and value where appropriate) that can be used to support investment in infrastructure and realise other community benefits. The strategy contains a series of 'proactive interventions' which focus on investment to promote competitiveness and entrepreneurship; transforming Plymouth into a learning city, and providing unconstrained participation in the labour market.

4.23 The aims of the Plymouth Local Economic Strategy include:

- Promoting unconstrained participation in the labour market by enabling local residents to receive appropriate training and gain the skills necessary to obtain employment within the development. This could include schemes such as provision for childcare.
- Positive promotion and encouragement of use of local labour during construction phase.
- Provide business support for target industries such as Market Focused Research & Development (R&D).
- Provision of affordable and flexible business space within new developments.

4.24 Contributions towards economic development will normally only be sought from larger developments, particularly in or adjacent to deprived communities, and from those that require an economic impact assessment. The level of contribution sought will reflect the scale and nature of the development and will be determined on a case by case basis.

4.25 The following list is illustrative of the wide range of initiatives that developers will be encouraged to support in line with Plymouth's Local Economic Strategy:

- Local labour initiatives to provide valuable local employment opportunities
- Apprenticeships, to assist young people into work and contributing to the future skills-pool in the city.
- Training funds, to address the multiple barriers people may face in accessing work opportunities. These can be secured by a simple commitment to advertise vacancies in the local area and guarantee interview.
- Childcare provision, which allows a return to work and a more easily achieved work-life balance through provision designed to suit local circumstances.
- Flexible and affordable business premises, particularly small and start-up units on accessible lease terms. This provision ensures continuing opportunities for business start-up.
- Community endowment funds, which can be established and accessed by local projects according to local priorities for social and economic facilities and services.
- Affordable retail space for independents, by designing in smaller units and kiosks. This will benefit local people through easy access to services and the development will achieve a more diverse and interesting character.
- Provision of business support for small firms across the city, to ensure a vibrant and successful business community is supported.
- Retail and business area improvements, by improving security, reducing dereliction and blight and improving business trading environments. This

will help attract new investment, support responsible behaviour and increase trade.

- Company sponsorship schemes, including mentoring and 'buddy' programmes which allow employees opportunities to contribute to nearby communities as part of their personal training and development.
- Support of the local and social economy, through local procurement of goods and services as an alternative to purchasing those same goods and services from private companies from further afield.

Further information on economic development

Plymouth's Local Economic Strategy can be assessed at

<http://www.plymouth.gov.uk/homepage/business/invest/localeconomicstrategy.htm>

Carbon reduction targets – offsite solutions

- 4.26 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.
- 4.27 In December 2007, Department of Communities and Local Government published a supplement to PPS1 entitled "Planning and Climate Change". This expects planning to be a positive force for change that will help secure progress against the UK's emissions targets, and deliver the Government's ambition for zero carbon development, both by direct influence on energy use and emissions, and in bringing together and encouraging action by others.
- 4.28 In 'Building a Greener Future' the Government has announced that all new homes in England and Wales must be zero carbon by 2016, with interim reductions in CO2 emissions of 25% below current Building Regulations by 2010 and 44% by 2013. There are similar ambitions to cut carbon emissions from new non-domestic buildings by 2019.
- 4.29 Plymouth's Climate Change Action plan sets out targets for a 20% reduction in citywide CO2 emissions by 2013 and 60% by 2020. The Core Strategy addresses the need for action on climate change and a reduction in CO2 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.

- 4.30 Policy CS20 (Sustainable Resource Use) encourages a range of measures related to the sustainable use of natural resources. It encourages an improvement in the energy efficiency of new buildings, and requires reductions in a development's CO₂ emissions through the use of renewable energy technology. 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), are required to incorporate onsite renewable energy production equipment to off-set at least 15% of predicted carbon emissions. Para 11.27 of the Core Strategy says that where this policy requirement cannot be achieved in the development, a planning obligation will be sought to secure the savings in an alternative way.
- 4.31 In the exceptional cases where the onsite renewable energy requirement is found to be undeliverable due to site constraints, a contribution towards the delivery of off site CO₂ reduction measures will be required. The level of contribution will be based on the estimated capital cost of the renewable energy equipment need to meet the 15% reduction in total predicted carbon emissions for the planned development.
- 4.32 These contributions will be used to deliver carbon savings by investing in energy efficiency of the existing housing stock, or through supporting the delivery or expansion of low carbon energy infrastructure such as district heating and cooling networks.
- 4.33 In those areas where the CS20 policy requirement for onsite renewable energy is relaxed in favour of area wide district energy solutions, the Council will negotiate contributions on a case by case basis. The level of contribution required will be based upon the following variables:
- Level of capital investment required onsite to support expansion of the proposed district energy network
 - Cost savings generated through relaxing of the CS20 onsite renewable requirement, and /or achieving Building Regulation CO₂ emissions standards through the connections to a District Energy network.

Further information on carbon reduction

Acting on Climate Change: Plymouth's Climate Change Action Plan 2009 – 2011 is available at www.plymouth.gov.uk

PPS1 supplement Planning and Climate Change (Dec 2007) is available at www.communities.gov.uk

Building a Greener Future (July 2007) is available at www.communities.gov.uk

Nature conservation

- 4.34 The conservation and enhancement of biodiversity is a principle central to our need to live within 'environmental limits' and deliver sustainable development. Plymouth has a wealth of natural assets which not only

contributes towards the biodiversity / geodiversity of the city but improves the quality of life for its residents.

- 4.35** 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.
- 4.36** The national policy context for seeking contributions towards the natural environment is provided by Planning Policy Statement 9 (PPS9) and ODPM Circular 06/2005, para. B16, which states that "planning obligations can be used to offset through substitution, replacement or regeneration the loss of, or damage to, a feature or resource present or nearby". 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 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'.
- 4.37** The Core Strategy Strategic Objective 11 (Delivering a Sustainable Environment) and Policy CS19 (Wildlife) state 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.
- 4.38** Contributions towards nature conservation may be sought on all development (both residential and non-residential) if there is a need to resolve site specific biodiversity or geological diversity issues. Contributions will be calculated through the production of a Biodiversity and/or Geodiversity Management Plan which shall be submitted to and approved by the Council. The management plan must be produced in line with the guidance found within Plymouth's Design SPD.

Further information on nature conservation

Plymouth's Sustainable Design SPD can be found on www.plymouth.gov.uk

PPS9 Biodiversity and Geological Conservation (2005) is available at www.communities.gov.uk

Circular 06/05 Biodiversity and Geological Conservation: statutory obligations and their impact within the planning system is available at www.communities.gov.uk

PPS9 Biodiversity and Geological Conservation (2005) is available at www.communities.gov.uk.

Plymouth Sound and Estuaries European Marine Site

- 4.39** 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 biodiversity that it supports. It is designated as a Special Area of Conservation (SAC) and parts are also designated as a Special Protection Area (SPA). The Habitat Regulations Assessment of the Core Strategy identifies a number of possible impacts on Plymouth Sound and Estuaries SAC arising from Core Strategy policies including impacts on water quality, physical damage, habitat loss and biological disturbance.
- 4.40** The national policy context for seeking contributions towards the natural environment is provided by PPS9 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.
- 4.41** The requirement for planning obligations is further supported by Core Strategy Strategic Objective 11 (Delivering a Sustainable Environment), and Policy CS19 (Wildlife).
- 4.42** Commercial developments which have an impact on the environmental quality of the EMS will be required to mitigate their impacts through contributing towards the protection and management of the site. This is likely to be the case for marina developments as well as commercial and port related developments along the waterfront.

Further information on the European Marine Site

Habitat Regulations Assessment of Plymouth's Core Strategy (January 2007) is available at www.plymouth.gov.uk

Commuted maintenance payments

- 4.43** The Council is normally prepared to adopt and maintain properly laid out green space, play space or playing pitches that are intended for wider public use, where these amenities are provided by the developer on site as part of a development (please also refer to para. 6.15). This will be subject to a 20 year commuted sum as a negotiated element of the Section 106 agreement, calculated on the basis of costs set out in Table 4.1 below. If the developer does not intend to offer areas for adoption, then the Council needs to be assured that satisfactory alternative arrangements are in place for maintenance in the future.

Table 4.1: Maintenance costs for Formal/Informal Green Space, Local Nature Reserves and Equipped Children's Play Space¹

Type of Space	Cost (£/ m2 per year)
Children's Play	£19.40
Parks and Gardens	£5.14
Informal Green Space	£0.62
Local Nature Reserves/Natural Green Space	£0.95
Allotments	£ 0.31
Playing Pitches	£0.51

¹These costs come from data supplied by CABI Space for maintenance of green space in the South West between 2005 and 2007 and from Sport England.

Chapter 5 Affordable Housing

- 5.1** A key element of the Core Strategy (para. 10.1) 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. Providing better and more affordable housing is a priority for the Council and is central to achieving Plymouth's ambitions, creating balanced and sustainable communities, supporting growth and regeneration and meeting our housing needs.
- 5.2** In 2006, the Council and neighbouring authorities jointly commissioned DCA Consultants to undertake a Housing Market and 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. This assessment was updated in 2009 and identified an annual shortage of affordable housing of 1,854.
- 5.3** 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.
- 5.4** The provision of new affordable housing through the use of planning obligations and by national bodies, Registered Social Landlords (RSL) and Registered Providers 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

- 5.5** The justification for requiring obligations in respect of affordable housing nationally is set out in Circular 05/2005 (Para B12) and PPS3 Housing (2005). Policy H1 of the Draft Revised Regional Spatial Strategy (RSS) for the South West 2006 – 2026 Incorporating the Secretary of State's Proposed Changes sets targets, and requires at least 35% of all housing developments annually to be affordable housing across each authority area.
- 5.6** 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 (Overall Housing Provision) of the Core Strategy, requires "at least 30% affordable housing" from all residential developments of 15 or more dwellings.
- 5.7** The Plymouth Housing Strategy 2008-2011, and the Plymouth Housing and Market Needs Assessment 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 at <http://www.plymouth.gov.uk>.
- 5.8** The definition of affordable housing based upon PPS3 (2005) and as contained within the Core Strategy (para. 10.20) 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.

- 5.9** National guidance (Delivering Affordable Housing, Nov 2006) states that affordable housing can include social rented and intermediate housing.
- 5.10** Social rented housing is rented housing which is owned and managed by local authorities, RSLs or Registered Providers for which guideline target rents are determined through the national rent regime. It can 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 Homes and Communities Agency as a condition of grant.
- 5.11** Intermediate Affordable Housing is property above the costs of those of social rent, but below market prices or rents, which meet the other criteria in the definition. This can include shared equity and other low cost homes for sale and intermediate rent.

5.12 Low cost market housing is not within the definition of affordable housing, as it does not address all of the criteria within the definition.

Affordability in Plymouth

5.13 PPS3 (2005) requires a link between local incomes and property prices to be demonstrated to indicate levels of affordability. There is a serious affordability problem in Plymouth, particularly for those individuals and families seeking to enter the housing market for the first time. The use of lower quartile indicators is based upon DCLG Advice Note 'Housing Market Information' (May 2007). Although it might be possible to borrow higher multiples of income than that used in the example below, it is considered that this is a responsible borrowing limit.

Box A1: Lower quartile income housing affordability

Affordable purchase price = lower quartile gross annual income x 3.5 times lending + 10% deposit

Lower quartile gross annual income = £16,477

Affordable purchase price = £16,477 x 3.5 + £11,000 = £68,669.50

Lower quartile average house price = £110,000

10% deposit = £11,000

Affordable rental price = 25% of lower quartile gross annual income per month
= £16,477 x 0.25/12 = £343

This means that residents on lower quartile incomes cannot afford to buy a housing costing more than £68,669.50 or pay more than £343 per month for rented accommodation.

Source: Annual Survey of Hours and Earnings, June 2010

5.14 The lower quartile house price in Plymouth for 2009 was £110,000. This gives a ratio of house prices to earnings at the lower quartile level of 6.68:1, which indicates that there is a substantial affordability gap at the lower quartile level and extending quite a way up the earnings ladder. This means that an individual would need to be earning more than £28,000 a year as well as having secured a deposit of £11,000 to afford a lower quartile priced house. Individuals on lower quartile earnings would clearly be unable to afford to buy property, and it is these individuals that would be likely to take up affordable rented accommodation.

5.15 If one takes the median figures for income and house prices from the same data source, this results in the following affordability levels:

Box A2: Median affordability levels

Affordable purchase price = median gross annual income x 3.5 times lending + 10% deposit

$$£23,091 \times 3.5 + £14,800 = £95,618.50$$

Affordable rental price = 25% of median gross annual income per month
= $£23,091 \times 0.25 / 12 = £481$

Source: Annual Survey of Hours and Earnings, June 2010

- 5.16** The median house price in Plymouth for 2009 was £148,000. This gives a ratio of house prices to earnings at the median level of 6.4:1, which in relative terms of affordability, is little different from lower quartile levels. This means that an individual would need to be earning more than £38,057 to afford a median priced house. A person on median earnings could ill afford to purchase even a lower quartile priced home. Such a person would be likely to be able to benefit from intermediate affordable housing schemes, such as shared ownership (New Build Homebuy). These figures will be subject to annual review for inflation and other market force influences.
- 5.17** 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, subject to RPI increases.

Affordable housing thresholds

- 5.18** 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 (see para. 5.19).
- 5.19** 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. Provision for affordable housing will be required from sheltered housing.
- 5.20** The Council will seek to ensure that the spirit of this policy is not avoided by the artificial sub-division 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. Applications close to the affordable housing threshold will be subject to thorough testing and policy assessment.
- 5.21** 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

5.22 The Core Strategy Policy CS15 allows for off-site provision or commuted payments for affordable housing provided it 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.

Involvement of Registered Social Landlords (RSLs)

5.23 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’ (when occupiers purchase an additional % of a shared ownership house) are recaptured and recycled into alternative affordable housing provision.

5.24 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 stated in para 19.6.14 of the Plymouth Housing Market and Needs Assessment (2006).

5.25 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 Development Partnership and who are active in the city. Details of the preferred partner RSLs are set out below.

Box A2: Preferred RSL Partners

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

- West Country Housing Association

5.26 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 normally more than 12 dwellings. Consideration will be given for larger clusters in the case of extra care and sheltered housing.

Pre application discussions

5.27 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

5.28 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.

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

5.30 All social housing, and intermediate housing requiring Homes and Communities Agency Grant, must be built to meet the relevant Homes and Communities Agency Design and Quality Standards (April 2007). For schemes funded from the National Affordable Housing Programme, these must be built to meet or exceed certain levels of unit size, layout, services, sustainability and Building for Life standards.

5.31 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.

5.32 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.

- 5.33** The presumption in planning policy is that affordable housing should be provided without public subsidy. However, subject to viability assessment and availability of funding, 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 5.1 overleaf sets out the indicative RSL purchase price for social rented housing. These figures will be updated annually in the LDF Annual Monitoring Report.
- 5.34** 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 rented 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 5.1 shows indicative purchase prices for social rented housing.

Table 5.1 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 ²)	£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 ²)	£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 ²)	£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 ²)	£44,250	£54,106	£46,064	£56,324	£48,091	£58,803	£50,736	£62,037	£50,279	£61,479
4 bed house (106-115m²)	£51,375	£61,311	£53,481	£63,825	£55,835	£66,633	£58,906	£70,298	£58,376	£69,665

NOTE:

Lower threshold figures expected for smaller unit areas (floor space) or low value areas in city

Upper threshold figures expected for larger unit areas (floor space) or highest value areas in the city

5.35 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 Homes and Communities Agency Capital Funding Guide.

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

5.36 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 and are therefore able to compete in the housing market on a favourable basis. They are not generally reliant on affordable housing. The Council will keep this situation under review and adjust affordable housing requirements accordingly if an affordable need arises.

Delivery and future control

5.37 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 timely completion of affordable housing in line with market housing. This means that not more than 50% of open market dwellings should be occupied unless and until 50% of affordable housing has been completed and made available for occupation, and not more than 90% of open market dwellings should be occupied unless and until 100% of affordable housing has been completed and made available for occupation.

5.38 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)

5.39 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 commuted sums from residential development.

Social rented unit contribution = Open Market Value minus the appropriate RSL purchase price (See Table 5.1)

Shared ownership unit contribution = 50% of Open Market Value (OMV)

5.39 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

5.40 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 1,854 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.
- The delivery of affordable housing on site requires timely completion of affordable housing in line with market housing.
- Where non viability is claimed, this should be backed up by an “open book” approach. The developer may be required to pay for a valuation by an independent valuer nominated by the Council. This will be submitted to the Council for scrutiny and testing to ensure that it is robust and sound.
- Key workers are currently able to compete in the open housing market, but their needs will be kept under review.

- Affordable properties should be indistinguishable from private market housing.

Further information on affordable housing

PPS3 Housing (2005) is available at www.communities.gov.uk

Delivering Affordable Housing (November 2006) is available at www.communities.gov.uk

Housing Market Information Advice Note (May 2007) is available at www.communities.gov.uk

Draft Revised Regional Spatial Strategy for the South West 2006 – 2026 Incorporating the Secretary of State’s Proposed Changes is available at www.swcouncils.gov.uk

Plymouth Housing Strategy 2008-2011 is available at www.plymouth.gov.uk

Plymouth Housing Market and Needs Assessment (2006) is available at www.plymouth.gov.uk

Homes and Communities Agency Design and Quality Standards (April 2007) is available at www.housingcorp.gov.uk

Homes and Communities Agency Capital Funding Guide is available at www.housingcorp.gov.uk

Chapter 6 Implementation of Obligations

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

Pooling of contributions

6.2 The collected tariffs will form a pool of contributions which will be used for delivery of the infrastructure needed to satisfy the cumulative impacts of development. It will enable strategic as well as local infrastructure needs to be met. The Core Strategy (para. 16.9) 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”.

6.3 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

- 6.4** 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.
- 6.5** 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.
- 6.6** 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

- 6.7** 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.

- 6.8** When calculating the residential development 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.
- 6.9** In the case of non payment of financial contributions or the non implementation of site specific obligations, the Council will pursue all legal means to secure agreed S106 requirements and additional legal penalties.

Development viability and spatial priorities

- 6.10** 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.
- 6.11** 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 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.
- 6.12** 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.
- 6.13** 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.
- 6.14** 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 prioritisation process that is not based on viability.

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 (www.plymouth.gov.uk).

On or off site provision and maintenance payments

- 6.15** 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, where on-site provision is made the value of this provision will be offset against the tariff which would otherwise be sought.
- 6.16** Where the developer wishes to transfer maintenance and management liabilities of these facilities to the Council, a commuted maintenance sum will be required as a Negotiated Element of the Section 106 agreement (see para. 4.32 above).

Outline applications and pre application discussions

- 6.17** Where outline planning permission is sought, the Local Planning Authority will normally require sufficient information about the amount of development and its end use to enable the level of tariff contribution to be calculated. Where this is not provided, it will generally safeguard its position by assuming that all thresholds are exceeded and require the maximum level of tariff contribution that is compatible with the outline approval sought. However, the legal agreement will be flexible to enable the planning obligation to be adjusted so that it is appropriate to the eventual detailed planning permission (e.g. through the use of formulas rather than set payment figures).
- 6.18** 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

- 6.19** 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, through the Negotiated Element, to make the development acceptable on site.

Management fee

- 6.20** 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 evidence based Section 106 process. The level of the management fee should not undermine development viability, nor reduce the contribution levels to identified obligation matters. 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 Management Fee will be reviewed on an annual basis and published in Planning Services Fees Policy (see <http://www.plymouth.gov.uk> or contact the Planning Service for further information).
- 6.21** 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.

Validation process

- 6.22** Planning applicants will be required to comply with the requirements of Plymouth's Local Validation Agreement so that applications can be validated. Meeting these requirements will enable the Council to process planning applications more efficiently and within the tight timescales set by Government.

Drafting of agreements

- 6.23** Planning Agreements will be drafted by the City Council. Circular 05/2005 (para. 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

- 6.24** 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, to support development viability the Council recognises that this will 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.

- 6.25** 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 infrastructure needs which can take a long time to deliver, the default period will be 15 years from the date of the agreement. The normal period for implementation of a Negotiated Element of a Section 106 agreement will be 5 years from the date of the agreement, although this may vary depending on the precise nature of the obligation.
- 6.26** 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 (see para. 6.20 above).

Monitoring and management of obligations

- 6.27** The monitoring and management 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, and that all financial contributions are spent in accordance with the Agreement. 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 covered by the management fee.
- 6.28** 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.
- 6.29** The tariff system will be closely monitored and updated as necessary, having regard to its overall effectiveness, macro and local economic conditions, the emerging national and local policy and financial context, best practice, and the infrastructure delivery requirements of the city.
- 6.30** 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.

APPENDIX 1: MENU OF MARKET RECOVERY MEASURES

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

2. Market Recovery Schemes to support development during adverse market conditions may be introduced by the 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.

INCENTIVE TYPE 1: measures that encourage the early delivery of projects

3. Measures include:

- Discounts on tariff for specified developments (identified as part of the Market Recovery Scheme being enacted).
- 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.

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

- Unless specified in the published Market Recovery Scheme, the case should 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 or where there are infrastructure issues arising of crucial importance to the city, the Council reserves the right not to agree to a relaxation of its planning obligation requirements.
- Flexible phasing of payments of the discounted tariff may be considered, subject to 'clawback' provisions being incorporated as part of the planning agreement.

INCENTIVE TYPE 2: measures that help developers respond quickly to economic recovery by having 'oven-ready' consents

5. Measures include:

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

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

- Unless specified in the published Market Recovery Scheme, the case should 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.

INCENTIVE TYPE 3: exemptions from the requirement to pay tariff

7. 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

8. 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 Section 106 contributions where this is justified by open-book viability appraisal.
- Improved and quicker pre-application process with opportunity for the Council to work with the developer on Site Planning Statements to provide a 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.

APPENDIX 2: PLYMOUTH VIABILITY PROTOCOL

1. Appendix 2 relates to Para 6.11 of the Supplementary Planning Document.
2. This Protocol is based on guidance from both the HCA (Homes and Communities Agency) and its specialist unit, the Advisory Team for Large Applications (ATLAS). Across a range of policy documents, the characteristics that help facilitate productive engagement between local authorities and developers over viability issues are discussed. The Plymouth Viability Protocol reflects the intent of these documents by providing a broad outline of the Council's requirements for progressing viability discussions.
3. The primary aim of the Protocol is to ensure that planning obligations are implemented fairly. While the Council recognises that there are instances when the development tariff causes projects to become unviable, it also requires developers to provide evidence that ensures agreements are the result of an engagement process that has integrity. Otherwise, there is a risk that some developers contribute to the City's infrastructure needs while others unfairly avoid it.

Early engagement

- 4 The applicant will let the Council know that it plans to raise the issue of viability as soon as it is apparent so that a process to deal with it can be established. This should be during the pre-application stage, as it will be expected that the developer has already incorporated the impact of the tariff of their project. Early engagement gives the developer the opportunity to present their case and provides adequate time to scope the relevant viability issues, plan the work programme, agree on an analytic approach/model, and table the delivery mechanisms that will be used (in the event that it is necessary).
- 5 On some applications, or as part of a S106 agreement, a 3rd party appraisal may be required. In this case, the developer, the Council, and the 3rd party consultant will meet together to scope the details of the appraisal.

An agreed platform for viability analysis

- 6 If the developer and the planning authority agree that a development appraisal will be a basis for discussions, a model and its inputs will 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 interrogate its underlying structure and assumptions. If the appraisal is created by a 3rd party, the Council will be provided with the model's data as it is made available.

- 7 The computer programme used to create the viability model will be agreed between the developer and the Council. This could be a simple, well-specified model in Excel; the widely-used affordable housing models by Three Dragons or HCA/GVA Grimley's ("Economic Appraisal Tool"); packages commonly used in commercial property such as Argus Developer, ProVal, ProDev or KEL; or any other model that effectively conveys a project's financial viability. In the event that the developer uses a proprietary programme, the developer should be prepared to provide the Council with the opportunity to interrogate 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 mechanisms to improve viability. In that case, another format will be used.
- 8 In the event that a developer opts for a simple spreadsheet model, at the very least they will need to include assumptions and evidence for the following items:
 - Site and/or building acquisition costs
 - Construction costs and programme
 - Fees, finance and all other associated costs
 - Projected development value
 - Gross and net development profit margin
- 9 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 of the assumptions. Evidence could be from 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.
- 10 In the event that the project has abnormal costs, these should be disaggregated, backed up by evidence and reflected in the fixed land value (if appropriate). Abnormal costs include the demolition of existing structures, site clearance and decontamination.

Discussing viability and reaching agreement

- 11 The starting point for any discussion should be based on a model that illustrates a development's viability in light of the Council's existing policies with regard to affordable housing and the Plymouth Development Tariff. Only by creating a model that incorporates these development costs can the level of viability be established.
- 12 If it is found that there are discrepancies between the assumptions in a developer's viability model and the Council's evidence, the developer must provide satisfactory evidence that justifies the discrepancy.
- 13 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 discuss possible solutions for delivering a viable scheme. These will include the mechanisms initially tabled.

- 14 In order to explore phased payments and/or a clawback mechanism, it will be necessary to use a cash flow model to explore the range of options and to measure the relative impacts of different potential solutions on project viability.
- 15 In the event that the developer and the tenant agree to enter into 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: GUIDE TO PLANNING OBLIGATIONS BY USE CLASSES ORDER

Use Class	Local infrastructure						Strategic infrastructure					Threshold below which no tariff sought	Exemptions
	Primary schools	Local health	Libraries	Local Green	Play Space	Playing Pitches	Strategic Green Space	Plymouth EMS	Sports Facilities	Public Realm	Transport		
A1 Shops											✓	500 sq m gross internal	
A2 Financial & Professional Services											✓	500 sq m gross internal	
A3 Restaurants & Cafes											✓	500 sq m gross internal	
A4 Drinking Establishments											✓	500 sq m gross internal	
A5 Hot Food take-Away											✓	500 sq m gross internal	
B1 Business											✓	500 sq m gross internal	
B2 General Industrial											✓	500 sq m gross internal	
B8 Storage & Distribution											✓	500 sq m gross internal	
C1 Hotels											✓	500 sq m gross internal	

Use Class	Local infrastructure						Strategic infrastructure					Threshold below which no tariff sought	Exemptions
	Primary schools	Local health	Libraries	Local Green Space	Play Space	Playing Pitches	Strategic Green Space	Plymouth EMS	Sports Facilities	Public Realm	Transport		
C2 Residential Institutions		✓	✓	✓							✓	10 bed spaces or more	1. Charities developing for charitable purposes. 2. Community and voluntary sector uses. 3. Development of public infrastructure.
C2A Secure Residential Institutions													
C3 Dwelling Houses	✓	?	?	✓	✓	✓	✓	✓	✓	✓	✓	5 dwellings	1. Affordable housing. 2. Charities developing for charitable purposes. 3. Community and voluntary sector uses. 4. Sheltered housing is not required to contribute towards education.
Houses in Multiple Occupation (C4 & <i>sui generis</i>)	?	?	?	✓	✓	✓	✓	✓	✓	✓	✓	10 bed spaces	1. Charities developing for charitable purposes. 2. Community and voluntary sector uses.

Use Class	Local infrastructure						Strategic infrastructure					Threshold below which no tariff sought	Exemptions
	Primary schools	Local health	Libraries	Local Green Space	Play Space	Playing Pitches	Strategic Green Space	Plymouth EMS	Sports Facilities	Public Realm	Transport		
<i>Sui Generis</i> Purpose-built student accommodation		?	?	✓		✓						10 bed spaces	1. Charities developing for charitable purposes. 2. Community and voluntary sector uses.
D1 Non-residential Institutions													
D2 Assembly & Leisure										✓		500 sq m gross internal	1. Charities developing for charitable purposes. 2. Community and voluntary sector uses. 3. Development of public infrastructure.

? = potentially a requirement for tariff depending on local need

✓ = generally a requirement for tariff to meet cumulative impacts arising from growth of the city on strategic infrastructure

In relation to all Use Classes, a negotiated element may be required as necessary to address local impacts. This will be determined on a case by case basis.