



Southampton Local Development Framework

Developer Contributions Supplementary Planning Document

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Contents

1	Introduction.....	1
	Planning Conditions and Obligations.....	1
	The Community Infrastructure Levy.....	2
2	The Purpose of the SPD.....	3
	Planning Legislation.....	3
	Planning Policy Context.....	3
	Evidence Base	5
3	The Planning Contributions Framework	6
	The Community Infrastructure Levy (CIL).....	6
	Planning Conditions	6
	Planning Obligations	6
	The Interaction between Planning Obligations and CIL.....	8
	Status of the Developer Contributions SPD.....	9
4	The City Council’s Approach to Planning Obligations	10
	Consultation, Negotiation and Notification	10
	Developer Contributions Process.....	10
5	Affordable Housing Requirements	15
	5.1 Thresholds	18
	5.2 Types of Affordable Housing	19
	5.3 Delivery Preference.....	20
	5.4 Housing Mix and Tenures Balance.....	21
	5.5 Design and Layout	21
	5.6 Public Subsidy.....	22
	5.7 Perpetuity	22
	5.8 Commuted Sums Payment Tables	22
6	Planning Obligation Requirements.....	24
	6.1 Site Specific Transport Requirements	24
	6.2 On-site Open Space.....	25
	6.3 Site Specific Flood Risk.....	26
	6.4 Public Art.....	27
	6.5 Community Safety Facilities	28
	6.6 Use of S.106 for the delivery of non infrastructure related mitigation.....	29
	6.6.1 Employment and Skills	29
	6.6.2 Carbon Management and Sustainability Measures.....	30
7	Glossary	32
	Appendix A	35

1 Introduction

This Supplementary Planning Document (SPD) sets out Southampton City Council's policy for securing developer contributions from new developments that require planning permission. This SPD is supplementary to the Adopted Southampton Core Strategy, particularly Policy CS-25 and should be considered alongside the Community Infrastructure Levy Charging Schedule or any successor documents.

The city council expects all eligible types and sizes of new development in Southampton to contribute to site related and broader infrastructure through a combination of the following mechanisms including:

- Planning conditions (development and project specific)
- Planning obligations e.g. Section 106 Agreements (development and project specific)
- Community Infrastructure Levy (City wide)

The necessity for site related developer contributions, secured through planning conditions and section 106 Agreements, is assessed against the needs of each site and project.

The Community Infrastructure Levy (CIL) is charged on most new development, based on an approved CIL Charging Schedule.

Planning Conditions and Obligations

The city council negotiates financial or other contributions for site related infrastructure improvements that may be required to mitigate any adverse impacts of new development and thereby enable planning permission to be granted.

New development is managed by applying conditions to planning permissions or through a negotiated planning obligation, also known as a Section 106 Agreement, which is prepared and concluded as part of the planning application process.

Planning conditions and obligations are a tried and tested mechanism to require individual developments to provide or pay for the provision of development specific infrastructure requirements. They are flexible and have historically delivered a wide range of site and community infrastructure benefits, including the transfer of land for community use.

The Community Infrastructure Levy

The city council is entitled, under the Community Infrastructure Levy Regulations (2010), to charge a Community Infrastructure Levy (CIL) on new developments within the city. The CIL applies to most new developments and charges are based on the size and type of the new development. The basis for the CIL charge for each development type is detailed in The city council's Community Infrastructure Levy Charging Schedule or successor documents.

The CIL will generate funding to deliver a range of city-wide and local infrastructure projects that support residential and economic growth, provide certainty for future development, and benefit local communities.

It allows the city council to work with infrastructure providers and communities to set priorities for what the funds should be spent on, and provides a predictable funding stream so that the delivery of infrastructure projects can be planned more effectively.

The CIL is designed to give developers and investors greater confidence to invest because there will be more certainty 'up front' about how much money they will be expected to contribute towards community infrastructure. Equally, the community will be better able to understand how new development is contributing towards prioritised infrastructure projects across the city.

Local communities which accept new development in their areas can be allocated a proportion of the collected CIL funds to help support their own local infrastructure projects.

2 The Purpose of the SPD

Southampton is a focus for housing and economic growth in Hampshire. The purpose of the Developer Contributions SPD is to:

- Explain The city council’s policies and procedures for securing developer contributions through planning obligations.
- Explain the relationship between the required developer contributions and the Community Infrastructure Levy in a fair and transparent way.
- Provide evidence and guidance to developers and landowners about the types of contributions that will be sought and the basis for charges.

This will ensure that new development is supported by locally and democratically prioritised community infrastructure.

Planning Legislation

The Community Infrastructure Levy Regulations 2010 which provide the detail on the implementation of CIL were published in April, 2010..The Department for Communities and Local Government (DCLG) outlined new statutory restrictions on planning obligations in line with the CIL regulations that:

- The tests for planning obligations outlined in the Community Infrastructure Regulations are a statutory basis for developments which are capable of being charged CIL.
- Ensure the local use of CIL and planning obligations do not overlap.
- Limit pooled contributions towards infrastructure which may be funded by CIL.

Planning Policy Context

Planning reforms have been enacted through the National Planning Policy Framework (2012) and the Localism Act (2012).

The Localism Act also sets out “a duty to co-operate” in relation to the planning of sustainable development which has been taken forward under the National Planning Policy Framework.

The National Planning Policy Framework (NPPF) states that the purpose of the planning system is to contribute to the achievement of sustainable development including the economic role attached to the delivery of infrastructure. Planning policies should recognise and seek to address

potential barriers to investment, including any lack of infrastructure especially in priority areas. Local authorities are required to work with neighbouring authorities and transport providers to develop strategies for the provision of viable infrastructure necessary to support sustainable development, including large scale facilities such as rail freight interchanges, roadside facilities for motorists or transport investment necessary to support strategies for the growth of ports, airports or other major generators of travel demand in their areas. The NPPF also covers a range of potential policy conflicts concerning applications related to telecommunications and the relationship between competing priorities such as the protection of an existing townscape or heritage asset. The NPPF also elaborates on the duty to co-operate placed on local authorities citing the joint infrastructure and investment plans as an example of how this might be applied in practice.

On the matter of planning obligations, the NPPF also underlines the need to ensure that the scale of obligations and policy burdens does not undermine the viability of development. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition and should only be sought where they meet all of the three tests as set out below:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development.

Where obligations are being sought or revised, local planning authorities should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled. Planning conditions should only be imposed where they are necessary, relevant to planning and to the development to be permitted, enforceable, precise and reasonable in all other respects.

The planning policy context for planning related developer contributions in Southampton City Council is established through the Local Development Framework (LDF) and other related documents and evidence.

The adopted Southampton Core Strategy (2010) is part of the development plan for Southampton for the period from 2009 to 2026. It sets out The city council's vision for the sustainable development of the city, including a policy framework for addressing the infrastructure requirements necessary to meet the planned growth of the city to 2026.

Core Strategy Policy CS-25 sets out the contributions that may be required for infrastructure and will be applied to all housing and commercial developments across the administrative area of Southampton.

Evidence Base

Southampton is a focus for economic and residential growth and the adopted Core Strategy identifies the key directions of growth.

The main local evidence base that justifies developer contributions and CIL in particular, is the Southampton Infrastructure Development Plan (2010). The IDP is a study that supports the adopted Core Strategy 2009. It details the physical, social and green infrastructure needs arising from the planned growth of Southampton to 2026 and the potential funding sources, including developer contributions that could viably be obtained to help meet this need. The IDP is supported by a detailed viability assessment and demographic projects.

The Infrastructure Delivery Plan will be reviewed regularly in consultation with stakeholders and partners. The phasing of development (housing trajectory) will be updated on a similar basis. Additional information on funding resources from other organisations has been added to the model and the CIL levy refined to keep it in line with current economic conditions.

In determining infrastructure needs at this stage, the council and partners have had to translate dwelling growth figures into population generation based on demographic projections taking into account reasoned assumptions concerning household size.

3 The Planning Contributions Framework

Planning conditions and obligations have, to date, been the standard planning process mechanisms for ensuring that development proposals are acceptable and can be granted planning permission. Following the legislative and policy changes outlined earlier in this SPD, the mechanisms used to ensure appropriate funding to meet the needs of a planning application have changed to include the Community Infrastructure Levy as well as the aforementioned planning conditions and obligations (S106 Agreements).

The Community Infrastructure Levy (CIL)

The CIL will generate funding to deliver a range of city-wide and local infrastructure projects that support residential and economic growth, provide certainty for future development and benefit local communities. Infrastructure needs identified as part of the CIL Regulation 123 list will not be duplicated in any S106 Agreement, in line with the CIL Regulations.

Planning Conditions

Planning conditions are requirements made by the Local Planning Authority for actions that are needed in order to make a development acceptable in planning terms. They cannot be used to secure financial contributions but can be used to ensure that certain elements related to the development proposal, and which may benefit the wider community, are carried out. In Southampton such conditions are likely to cover, amongst other things, the requirement to:

- undertake archaeological investigations;
- implement necessary local site-related improvements; and
- undertake appropriate flood risk solutions.

Planning Obligations

Planning obligations, also known as Section 106 Agreements, are legal agreements between Local Planning Authorities and developers/landowners, usually negotiated in the context of planning applications. Their purpose is to make unacceptable development acceptable in planning terms. The National Planning Policy Framework permits planning obligations to be used in the following ways:

- Prescribe the nature of a development e.g. by requiring a proportion of affordable housing within a development

- Secure a contribution from a developer to compensate for loss or damage created by a development e.g. loss of open space.
- Mitigate the impact of a development impact, e.g. through increased public transport provision.

The introduction of the Community Infrastructure Levy has restricted the use of planning obligations so that they must meet the three new statutory tests outlined above, they cannot be used to double charge developers for infrastructure, and, save for a maximum of five separate planning obligations, they cannot be used in the form of a pooled tariff system¹.

Affordable housing and other site and development specific measures that cannot be funded from the CIL are able to be funded through planning obligations.

The CIL will also apply to these developments to enable contributions to city wide and local community infrastructure.

Planning obligations can be secured through:

- In-kind and financial contributions. These could include, for example, the provision of land, facilities, or funds that enable the delivery of development related infrastructure and community needs.
- One-off payments, phased payments, and commuted payments. These could include, for example, funds provided to be invested to enable land and facilities to be maintained to agreed specifications over a period of time.
- Pooled contributions, for example, towards the cost of a large strategic project that could include improvements to existing strategic roads, to be delivered at a later date, subject to the limiting of pooling contributions towards infrastructure introduced through the CIL Regulations 2010.

Planning obligations may be:

- Unconditional or subject to conditions.
- Positive, requiring the developer to do something specific.
- Negative, restricting the developer from doing something.
- Related to specific financial payments based on a formula and often referred to as a commuted sum.

Planning obligations are tied to the land and are linked to specific planning permissions. They are registered as a land charge and will form part of the planning register, which is available for public inspection. They are

¹ After 2014 (currently subject to a proposed review to extend until 2015 under DCLG 'Consultation on Community Infrastructure Levy Further Reforms' April 2013)

enforceable against the original developer and anyone who subsequently acquires an interest in the land.

Timing of implementation is an important factor, especially in the following circumstances:

- If a planning obligation specifies a timescale within which the developer is required to undertake certain actions.
- If the planning permission refers to the phasing of development, the planning obligation may be linked to this phasing arrangement.
- If the planning obligation provides for a commuted sum to be paid to the Local Planning Authority the money must be spent within a specified period.
- If money raised through a planning obligation is not spent within the agreed period, the developer could be reimbursed with the outstanding amount, together with any interest accrued.

The Interaction between Planning Obligations and CIL

Following the adoption of the Charging Schedule, CIL will become the main source of funding available through development management decisions for the majority of sites.

The provision of affordable housing currently lies outside of the remit of CIL and will continue to be secured, in the main, through Section 106 Agreements as well as some exception sites. Section 106 Agreements and planning conditions will also continue to be used for local infrastructure requirements on development sites, such as site specific highway improvements, local provision of public open space, connection to utility services (as required by legislation), habitat protection, access footpaths and roads, and archaeology. The principle is that all eligible developments must pay towards CIL as well as any site specific requirement to be secured through Section 106 Agreements. Further details on the levy charge can be found in the Community Infrastructure Levy Charging Schedule, or successor documents, and should be read in conjunction with this document.

Large scale major developments usually also necessitate the provision of their own development specific infrastructure, which are dealt with more suitably through a Section 106 agreement, in addition to the CIL charge. It is important that the CIL Charging Schedule differentiates between these infrastructure projects to ensure no double counting takes place between calculating the city wide CIL rate for funding of infrastructure projects and determining Section 106 Agreements for funding other development site specific infrastructure projects.

It is advisable for each large scale major development to come forward in its entirety at outline application stage in order for the scheme as a whole to be considered. Outline applications will need to agree phases of

development in order for each phase to be considered as a separate development and enable CIL to be levied per agreed phase.

Status of the Developer Contributions SPD

The SPD forms part of the Southampton Local Development Framework and is a material consideration when assessing planning applications within the city. It links with the adopted Southampton LDF Core Strategy and its associated Development Plan Documents and Supplementary Planning Documents.

Other elements of the Southampton City Council Local Development Framework, including the evidence base that underpins it, can be found at <http://www.southampton.gov.uk/planning/planning-policy/adopted-plans/>

4 The City Council's Approach to Planning Obligations

As Local Planning Authority, Southampton City Council has a fundamental legal role and responsibility in implementing the Developer Contributions process. In particular, the process needs to ensure that a balance is maintained between development-related and competing community infrastructure needs of the city.

It is The city council's role to lead Planning Obligation (S106) negotiations, to notify developers of their CIL liabilities, and to ensure that funds provided by developers are spent as planned in conjunction with the agreed requirements of other authorities and implementation agencies.

Consultation, Negotiation and Notification

The city council's Planning Service leads the Developer Contributions process, with input from a range of other city council service areas and other public bodies. Whilst the guidance provided in this Developer Contributions SPD aims to be as clear as possible, developers will benefit from seeking early negotiations with Planning Services officers to agree planning obligations and understand their CIL liabilities prior to submitting planning applications.

Negotiations will include consultation with other city council service areas where appropriate (e.g. where open space or affordable housing is to be provided) and others. The benefits of this approach include:

- It ensures that developers are aware of the scale of likely contributions required for a proposed development at the earliest opportunity.
- It assists in determining project viability.
- It provides greater clarity and certainty to the process.
- It minimises the timescales involved in determining affected planning applications.

Developer Contributions Process

Prior to submitting a Draft Heads of Terms with a planning application, developers will need to consider a range of factors that influence contributions.

i) Procedural Steps

Steps	Planning Obligations	Community Infrastructure Levy
1	As part of the Pre-Application process, if entered into, the city council will identify for the developer the likely Planning Obligations Heads of Terms within the Pre- Application Report.	The developer provides the appropriate floorspace details with the application, where available. An Assumption of Liability Notice should be completed and included with the paperwork.
2	After the planning application is validated and the draft Heads of Terms are identified The city council's Legal Services team are instructed to prepare a draft Section 106 Agreement if the Local Planning Authority is minded to approve the application. At this stage The city council's Legal Team will require an undertaking for legal fees and proof of ownership title before the initial draft of the Section 106 Agreement can be produced.	Once full details of the planning proposal are known, the city council will determine the levy based on the adopted charges.
3	On production of the initial draft Section 106 Agreement this will be circulated to the developer, normally via their acting solicitor for comment and review. Once the developer and the city council have agreed the draft Section 106 Agreement, the S106 Agreement has been signed and sealed and planning permission has been granted, details will be registered by The city council's Land Charges section.	If planning permission is granted, a Liability Notice will be issued and the levy rate will be registered by The city council's Land Charges section.
4	The agreed Planning Obligations and their relevant triggers are monitored through to satisfactory discharge by the council and the council's Planning Agreements Officer.	Once verification of commencement date has been received, a Demand Notice/s will be issued to the person/s liable to pay the CL.
NB: the above table is for indicative purposes only.		

ii) Legal Information

Developers will need to produce satisfactory proof of title for their particular site and all persons with an interest in the development site including owners, mortgagees, tenants and option holders must be party to the agreement. The developer will also be expected to pay the council's legal costs and will need to provide a solicitors undertaking that the council's legal costs will be paid.

iii) Local Land Charges

Planning obligations have to be registered as local land charges. Applicants will therefore need to produce title to the site and third parties, such as mortgagees, may have to be party to agreements.

iv) Inflation

All Developer Contributions payments will be index linked to a relevant index, which at present is the BCIS Price Adjustment Formulae Indices for all highways related obligations and the Retail Price Index for all other obligations

v) Administration Charges

The council employs a Planning Agreements Officer whose role it is to co-ordinate the Section 106 Agreement process, acting as the central point of contact for all parties to the Section 106 Agreement. The developer will be expected to pay a Section 106 Monitoring Charge for the work undertaken by this Officer, based on the number of Heads of Terms within the Section 106 Agreement, which along with the Council's legal fees outlined below, become payable prior to the completion of the Section 106 Agreement.

The administration fee for the Community Infrastructure Levy is incorporated within the Levy itself, so no separate additional fee is payable.

vi) Late Interest Payments

In the event of any delay in making any payment required under a S106 Agreement interest shall be payable on the amount payable at a rate above the base lending rate from time to time in force from the date that the relevant payment falls due to the date of actual payment.

vii) Triggers for Planning Obligations

Planning Obligations are normally triggered on commencement of development i.e. the date on which works to begin the development start, as defined by the carrying out of a material operation (section 56 of the 1990 Town and Country Planning Act), but may be earlier or later e.g. first occupation or for significant major development may be phased through the development process.

viii) S106 Viability

In the event of anticipated viability issues, the developer is advised to contact the Planning Agreements Officer at the Local Planning Authority at an early stage to discuss ways of addressing the requirements for S106 planning obligations and to see if any exemptions can be made.

The council would at first seek to test the viability by seeking other viability enhancements by various means of cash-flow improvements, for example, deferring contribution payments. If following an investigation of the alternative options, there is still a viability concern then the council will expect the submission of a Viability Appraisal. The Viability Appraisal is an 'open book' assessment which should include information covering at least the following issues:

- Existing use values
- Proposed use values (sales and rental)
- Demolition and construction costs
- Finance and marketing costs
- Assumed yield
- Site abnormalities
- Development phasing/timetable

If the council alters the planning obligations sought on viability grounds a clause will be built into the Section 106 Agreement which requires a review of the viability situation unless the development is completed within a defined timeframe.

Please note that due to Freedom of Information requirements and requests, it cannot be guaranteed that the Viability Assessment will remain confidential. Generally, if a viability assessment is submitted in relation to a valid planning application then the Local Planning Authority will treat the submission as a public document. Only in very exceptional circumstances would a Viability Assessment be considered confidential on a valid planning application and the developer would need to explain this at the time of submission and justify why it should be considered confidential.

The council may not accept the arguments and even if it does may be required to release it under a Freedom of Information or other such request. The council endeavours to keep all pre-application enquiries confidential and so any Viability Assessment submitted in relation to a pre-application enquiry is likely to be treated as confidential but the council cannot guarantee this and again the applicant is advised to clearly explain if they believe the document is confidential and why, when it is submitted.

ix) Monitoring of Developer Contributions

It is important that the negotiation of planning obligations and subsequent expenditure of any contributions received from developers is carefully

monitored so that the handling of developer contributions is managed in a transparent and accountable way.

The city council will:

- maintain an ongoing overview of progress with the implementation of site specific and community infrastructure projects. The Planning Services team will provide a focus for liaising between the various city council Service Areas, partner Authorities and other delivery agencies which are responsible for ensuring particular projects are completed satisfactorily.

x) Public Access to Planning Obligations

Planning Obligations form part of the planning permission. This is a public document and will be placed on the public planning register together with the planning decision notice. This information will usually be made available on the city council's website.

Furthermore, to continue the transparent process and accountability with regards planning obligations, details of member decisions will continue to be made available via the council website.

5 Affordable Housing Requirements

Housing is a fundamental need and it is well documented that unsuitable housing conditions or being unable to access affordable housing can affect the quality of life of people. The need to make links between housing and health, social care, community safety, social inclusion, transport, energy efficiency, sustainability, education and employment is fully recognised.

Core Strategy Policy CS-15 sets out the affordable housing in development requirements and CS-25 sets out that contributions for infrastructure may be required and will be applied to all development proposals across the city.

Policy CS-15 Affordable Housing

On housing sites where 15 or more net dwellings are proposed, or which exceed 0.5 hectares in size (irrespective of the number of dwellings), the Council will seek provision, through negotiation, of 35% affordable housing.

On sites where 5 – 14 net dwellings are proposed the council will seek provision, through negotiation, of 20% affordable housing. The proportion of affordable housing to be provided by a particular site will take into account:-

1. The costs relating to the development; in particular the financial viability of developing the site (using an approved viability model)
2. The need to contribute towards the sub-regional target whereby the total provision of affordable housing is made up of 65% social rented and 35% intermediate affordable housing
3. The proximity of local services and the accessibility of the site to public transport
4. Constraints on the development of the site imposed by other planning objectives
5. The need to achieve a successful housing development in terms of the location and mix of affordable homes. The affordable housing requirement will be applied to the net number of new housing units which are being proposed on site.

The delivery of affordable housing will be provided in accordance with the following hierarchy of provision:-

1. On-site as part of the development and distributed across the development as much as is reasonable and practical to create a sustainable, balanced community.
2. On an alternative site, where provision would result in a more effective use of available resources or would meet an identified housing need, such as providing a better social mix and wider housing choice.
3. Commuted financial payment to be utilised in providing affordable housing on an alternative site.

Planning conditions and /or obligations will be used to ensure that the affordable housing will remain at an affordable price for future eligible households, or for the subsidy to be recycled to alternative affordable housing provision.

The council's affordable housing policy seeks to ensure the development of good quality affordable housing for local people in housing need, in

balanced and integrated communities. This guidance provides clear advice to landowners, developers and residents about how the council will deal with the negotiation of affordable housing in Southampton.

The council's Housing Strategy 2011 'Homes for Growth', identifies plans which will support continued economic growth and prosperity for the city. The right mix of housing is important for a prosperous economy both to meet local needs in the city and to keep wealthier residents in the city; this in turn will have socio-benefits such as improving school performance and contributing to making Southampton a more prosperous, safer, greener, healthier place to live. The vision is for Housing **to work towards attracting more jobs for local people, securing more investment in the city and delivering high quality, low cost services that meet customer needs.** The three key priorities are:

- (i) Maximising homes for the city;
- (ii) Improving homes- transforming neighbourhoods and;
- (iii) Extra support for those who need it.

This document works towards the first priority of maximising homes.

The affordability of homes is a major issue in the city with an average house price of about £181,354 (Q1, 2010, DCA). In 2010, the Housing Needs and Housing Market Survey calculated that the minimum single income required to purchase a one bed flat in Southampton was around £29,800 (based on the South of city), however, around 73% of people in the city, however, earned below this figure. There are also around 14,297 people (SCC Annual Monitoring Report, 2009/10) on the council's Housing Register waiting for affordable homes.

Tenure	2010 %*	N ^{OS} . implied	2005 %**
Owner occupier - mortgage	34.2	33,632	34.3
Owner occupier - outright	23.0	22,586	23.0
Housing Association (HA) Shared Ownership	0.1	125	0.1
Council rented	17.4	17,122	18.1
Private rented	16.7	16,435	16.7
Housing Association (HA) rented	6.8	6,730	6.0
Tied to employment / Other	1.5	451	1.5
Student Accommodation	0.1	80	0.1
Temporary Accommodation for the homeless	0.2	162	0.2
Total	100.0	97,323	100.0

Figure 1 Tenure of Existing Households

Source – **Housing Needs and Market Study Update Final Report – October 2010, DCA**

The affordability of homes across the region is accepted as a significant issue and is identified as a priority in the PUSH Affordable Housing Policy Framework. In addition the city's Housing Needs and Housing Market Survey 2010 have identified affordability as a significant issue for the city (see section 5.8). This has resulted in a total annual newly arising affordable housing need of 1,861 units in addition to existing current housing need of 5,088. It has also resulted in a high level of concealed households where adult children still live with their parents.

Within the households on the council's housing waiting list there is a strong demand (82.7%) for 1 and 2 bed homes. The Housing Needs and Housing Market Assessment found that amongst existing households wishing to move to Registered Provider (RP) properties 17.3% require properties with 3 or more bedrooms and 22.4% require properties with 2 bedrooms.

The council's planning policy framework adequately addresses the issue of delivering affordable housing and details a developer's contribution in this respect, alongside the other development contributions outlined in this SPD.

In future, affordable housing is expected to reflect more effectively individual needs and changing circumstances. Social Landlords (approximately 20 in the city) will be able to offer a growing proportion of new social housing tenants' new intermediate rental tenancies at

Affordable Rent (AR) levels. AR homes will be made available to tenants at a higher rent than traditional Social Rented housing (SR) up to a maximum of 80% of market rent and allocated in the same way as SR housing is at present. Landlords will have the option to offer AR properties on flexible tenancies tailored to the housing needs of individual households. The government has introduced a series of other measures such as changes to tenure (no longer a requirement to offer lifetime tenancies, flexibility to offer shorter terms with a minimum of two years); greater flexibility for local authorities in their strategic housing role and options to increase mobility for social tenants.

The Localism Act also obliges Local Authorities to produce a Strategic Tenancy Policy (STP). Developers will be expected to have due regard to these documents and their content may be regarded as material considerations in determining a planning application. In determining its STP, the council will take into account the affordability of AR relative to local incomes.

5.1 Thresholds

Any residential development providing 5 or more units (net) will be expected to provide affordable housing in compliance with CS-15. Residential development of 5 or more units but less than 15 will be expected to provide 20% affordable units. Sites involving 15 or more houses or involving a development site of over 0.5 ha in size (regardless of the number of units) will be required to make a 35% affordable housing provision.

The council will not accept the deliberate sub-division of sites to provide individual parcels of development land to avoid the affordable housing threshold. Where a development site has been sub-divided and the affordable housing threshold has been reached cumulatively through the submission of successive applications, affordable housing will be sought on subsequent planning applications.

Institutional residential accommodation such as residential homes for the elderly or schemes for student accommodation would not be expected to provide affordable housing provision. In this instance, the council would seek to control the tenure of the development within the Section 106 Agreement.

The affordable housing threshold will apply to the total number of housing units which are being proposed on site. This will be based on the net figure taking into account units that may be lost if redevelopment takes place.

5.2 Types of Affordable Housing

The National Planning Policy Framework defines affordable housing as “*social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market*” where eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Affordable housing for rent is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned 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. Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

The greatest need for affordable housing in the city is for affordable homes for rent. The council will therefore seek a proportion of affordable housing for rent as a part of all new residential developments with an affordable housing requirement to meet this need. The council’s preference is for affordable housing for rent to be provided through a Registered Provider (RP) who is a member of the council’s Affordable Housing Partnership (or successor). This ensures new affordable homes for rent are developed and managed to the council’s required standards, and are available in perpetuity to people from the council’s Housing Register at affordable levels.

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.

Intermediate housing has a role to play in meeting housing need but will usually only be supported as a proportion of the overall affordable housing requirement, where the remaining proportion is Affordable Rented accommodation.

For Low Cost Home Ownership schemes, the council’s preference is for the new homes to be owned and managed by a partner RP.

5.2.1 **Types of housing not considered to meet the requirement**

Low Cost Sale housing is housing provided at sub market sale values but above normal affordable levels. This type of provision will not normally be accepted as affordable housing provision because it would not meet the council requirement set out in Policy CS-15 for affordable housing.

5.3 **Delivery Preference**

The delivery of affordable housing will be provided in accordance with the following hierarchy of provision:

- 1 On-site as part of the development and distributed across the development as much as is reasonable and practical to create a sustainable, balanced community. The proposed affordable housing should be dispersed amongst the market element of the scheme. The affordable housing should be transferred to an RP on the following basis:

- Serviced Land (to the site boundary) should be transferred to an RP at nil value to enable the RP to build the affordable housing.

OR

Completed affordable housing should be sold to the RP at a price less the value of the serviced land i.e. nil land value and reasonable build costs only.

Where the city council consider that a better social mix and wider housing choice could be secured via one of the following approaches, the guidance set out below will be applied.

- 2 On an alternative site, where provision would result in a more effective use of available resources or would meet an identified housing need, such as providing a better social mix and wider housing choice. In this regard, two scenarios may apply:

Affordable housing may be provided as part provision 'on-site' (as above) and part provision 'off-site' on an alternative site, to be agreed by the city council as being a suitable alternative for total on-site provision. The affordable housing should be sold to an RP at nil serviced land value either as a land only deal or the purchase of completed affordable housing units.

OR

Alternatively, total provision 'off-site' on an alternative site may be agreed by the council as being a suitable alternative for affordable housing provision. In the event that any element of affordable housing is to be provided off-site on an alternative site the affordable housing provision should incorporate the 35% of units off-set from the main development plus the 20% required from the alternative site.

- 3 Commuted financial payment to be utilised in providing affordable housing on an alternative site. The financial contribution will be equal to the cost of providing affordable housing on-site or off-site i.e. the value of the serviced land for the affordable housing units had they been provided on-site.

5.4 Housing Mix and Tenures Balance

The 2010 Housing Needs and Market Study update recommended seeking a tenure mix of 65% social/ Affordable Rent and 35% intermediate tenures. The tenure definitions are provided in table 1 below. The study further recommended the following size mix.

Tenure/size	1 bed	2 bed	3 bed	4 bed
Social/ Affordable rented	30%	30%	20%	20%
intermediate	25%	50%	25%	0

Table 1: Affordable housing definitions

The exact tenure and size mix will be agreed through negotiation with the council and may vary on a site by site basis depending on need and demand. Usually the size and mix will be representative of the scheme as a whole; however this will be subject to negotiation based on housing need.

There is an ongoing need to meet the affordable housing requirements of people using wheelchairs. The council will seek, where ever possible to include wheelchair suitable homes (above part M) on sites.

5.5 Design and Layout

Policy CS-15 provides guidance on the council's expectations concerning the delivery of "Affordable Housing". Criterion 1 states that affordable housing should be secured on site "as part of the development and distributed across the development as much as is reasonable and practical to create a sustainable, balanced community". The council requires affordable housing to meet Homes and Community Agency

(HCA) standards and be unidentifiable within a development of private housing.

On-site provision evenly distributed throughout the scheme is more likely to result in good design; a better chance of a higher Code for Sustainable Homes rating throughout the scheme; an avoidance of social exclusion and the development of a more balanced community, integrated into the mixed development.

5.6 Public Subsidy

Implementation of affordable housing policy CS-15 of the Core Strategy places no obligation on Southampton City Council to provide subsidy to support the provision of affordable housing. Developers must discuss availability of resources at an early stage with the council and our partner RP's. In addition the HCA guidance is that all affordable housing secured through the planning process should be provided at nil land value and reasonable build cost. The council supports this position.

5.7 Perpetuity

The council wishes to ensure that affordable housing provision remains affordable in perpetuity. This is normally taken to be 125 years.

Initial rents, service charges and any sale prices should be subject to agreement by the city council and be demonstrably affordable throughout.

5.8 Commuted Sums Payment Tables

The Commuted Sums Payment Tables have been updated and are set out in the calculation spreadsheet which calculates the sums that should be payable based on the unit size to be provided. The spreadsheet is available at www.southampton.gov.uk/developer-spd

The tables are broken down by ward area in accordance with the [16 electoral wards](#) within the city, apart from Bargate and Bassett wards, which are broken down based on specific property value differences within these wards. The inset maps for Bargate and Bassett ward can be found in [appendix A](#)

The Affordable Housing Commuted Sum is calculated by firstly identifying the ward (please note the specific maps for Bassett & Bargate) and secondly inputting the total number units by size into the specific ward calculator, which will generate the Affordable Housing Commuted Sum to be paid.

The commuted sum payment relates to the cost of providing the dwelling plot within the locality of the development and not elsewhere in the city, otherwise, a situation may evolve where affordable housing is not provided in particular wards, or developers may assume they can always provide a commuted sum based on acquiring a dwelling within the area of the lowest plot value.

The financial contribution should normally be paid upon implementation of the development secured through the section 106 agreement or phased payment may be negotiated in the case of larger and more complex developments.

The Commuted Sum Payment Tables will be further reviewed as and when required.

5.9 **Who Provides Affordable Housing?**

The council wishes to ensure that affordable housing provision remains affordable in perpetuity so that initial rents or sale prices should be subject to agreement by the city council and index linked thereafter. In this respect, the development of affordable homes using a Registered Providers (RP) should better serve the needs of the city's residents.

Contact details for the council's partner RPs can be provided by the council on request.

6 Planning Obligation Requirements

The following sections provide the policy guidance for requiring planning obligations.

They relate to:

- Site Specific Transport Requirements
- On Site Public Open Space
- Employment & Skills
- Historic Environment
- Site Specific Flood Risk
- Public Art
- Sustainability
- Community Safety

In considering the planning obligations requirements for a development, the current capacity of infrastructure will be considered to ensure that obligations are only necessary where present facilities are not able to accommodate the additional need generated by the development.

There may also be obligations which are not covered by the above. The council can advise on these at the pre-application stage but these could include tree replacement (at a ratio of two replacements for each removed tree), drainage or other aspects of the public realm.

As with Affordable Housing, the council will not accept the deliberate sub-division of sites to provide individual parcels of development land to avoid the thresholds for planning obligations as outlined below. Where a development site has been sub-divided and the planning obligations thresholds have been reached cumulatively through the submission of successive applications, planning contributions will be sought on subsequent planning applications.

6.1 Site Specific Transport Requirements

Threshold

- **All residential developments involving a net increase of 5 or more dwelling units**
- **Non-residential developments with a net increase of over 200**

sq.m gross floor area

Smaller developments can also trigger the need for site specific transport works, early engagement with the council can identify these requirements

Core Strategy Reference**Policy CS-18 Transport: Reduce – Manage – Invest**

Most developments require localised contributions that are site specific. These address the immediate impact of a development. One of the main aims of the site specific transport obligation is to promote sustainable and active travel including walking, cycling and public transport. The site specific highway obligations could therefore relate to the following types of infrastructure:

- Footway improvements
- Cycleway improvements
- Access to Public Transport
- Highway improvements
- Travel Plans
- Parking controls

The works would be implemented as part of the development scheme and the council would normally expect such measures to be put in place either on commencement of development or prior to occupation of the development as appropriate.

The obligation can be secured either through a financial contribution, paid to the council to carry out the identified works, or through developer provision of the identified works. In cases where the developer is providing infrastructure improvements a licence would be required for the developer to work on the public highway, a Section 278 Agreement may also be required to be entered into and further guidance on this is available by contacting The city council's Highways Team.

6.2 On-site Open Space

Threshold / Standard

- **All residential developments to provide amenity open space sought on site to a standard of 0.22 hectares per 1,000 population equivalent.**

The exact provision will take account of the nature of the development and the proximity of other open spaces.

Core Strategy References

**Policy CS21 - Protecting and Enhancing Open Space
Policy CS22 – Promoting Biodiversity and Protecting Habitats
Emerging City Centre Action Plan - Policy 11 – Public Open Space
in New Developments (for city centre sites)**

The Core Strategy recognizes the need to retain and improve the quality and accessibility of open spaces, and the need to deliver new space within the city to meet the needs of residents. The Standards to be applied to new developments are derived from the council's Green Space Strategy (adopted 2008). The Green Space Strategy refined national planning policy categories into open spaces that are appropriate, with standards that are relevant to the spaces found in Southampton. This provision will enhance the overall development for residents.

6.3 Site Specific Flood Risk

Threshold

New developments within Flood Zone 3 depending on the site specific issues of the case

Core Strategy References

**Policy CS-1 – City Centre Approach
Policy CS-23 – Flood Risk
Policy CS-25 - The Delivery of Infrastructure and Developers
Contributions**

The National Planning Policy Framework states that “local planning authorities should adopt proactive strategies to mitigate and adapt to climate change, taking full account of flood risk, coastal change and water supply and demand considerations”. When determining planning applications, local planning authorities should ensure flood risk is not increased elsewhere and only consider development appropriate in areas at risk of flooding where, informed by a site-specific flood risk assessment. Where development is appropriate in a flood risk area development is appropriately flood resilient and resistant, including safe access and escape routes where required, and that any residual risk can be safely managed, including by emergency planning; and it gives priority to the use of sustainable drainage systems.

Site specific measures can include the use of such as land raising, raised floor levels, restrictions on ground floor uses and flood evacuation plans. On larger sites, sustainable urban drainage techniques can be employed to manage water effectively. It should be noted that SUDS is likely to become a statutory requirement for new development once the relevant sections of the Flood and Water Management Act has been implemented.

Sustainable drainage systems (SUDS) will include:-

- Source control measures including rainwater recycling and drainage.
- Infiltration devices to allow water to soak into the ground, which can include individual soakaways and communal facilities.
- Filter strips and swales.
- Filter drains and porous pavements.
- Basins and ponds to hold excess water after rain and to allow controlled discharge to avoid flooding, where possible in an urban environment.

Where the surface water system is provided solely to serve any particular development, the construction and ongoing maintenance costs should be fully funded by the developer. Where a sustainable urban drainage project contributes to more than one development, maintenance contributions may be sought towards an adopted solution. A Planning Obligation may be appropriate to secure this.

6.4 Public Art

Threshold

- **100 or more residential dwelling units**
10,000 sq.m of commercial floorspace

Local Plan Reference

SDP8 – Urban Form and Public Space

Provision of public art is considered integral to the achievement of the highest quality urban design. Policies CS-12 and CS-13 support improvements to the public realm of the city centre. Policy justification states that: *“public realm must be legible, comfortable and stimulating, with safe streets and public spaces across the city. High quality street furniture and public art should be used to enhance the quality of the urban environment incorporating signs and maps which aid legibility”*.

The Public Art Strategy approved by the city council is delivered through:

- Using the planning and development control process to negotiate the integration of public art, architecture and urban design in all key developments.
- Using Percent for Art and Section 106 contributions to secure new funds to support the Public Art Strategy.
- Requiring public and private sector developers to appoint an artist as member of the professional master planning or design team.
- Requiring that the principles of Southampton City Council's Art in Public Places policy and Public Art Strategy are reflected in the Local Development Framework, Local Plan Review, Statutory Planning Documents (SPD), Design Guides and Development Briefs produced by the city council.
- Devising and implementing quality programmes of community participation and education as part of public art commissions.
- Providing a comprehensive public art project management services to developers, city council officers and community groups.

Public art will be sought on all key developments. Where the provision of public art is to be secured through planning obligation, the council will work with the developer to ensure the successful integration of commissioned public art works within the development, including associated quality programmes of community participation and education.

6.5 Community Safety Facilities

Thresholds

- New food, drink and late night entertainment and leisure uses open after 22:00 within the city centre
- Applications to extend opening hours for food, drink and late night entertainment and leisure uses until after 22:00.

Core Strategy Reference

Policy CS-13 – Fundamentals of Design

Local Plan Reference

SDP10 - Crime and Safety

Policy CLT-14 – City Centre Night Time Zones and Hubs

Policy – CLT-15 – Night Time Uses in Town, District and Local Centres

Planning policy guidance recognizes the role of planning in designing safe environments and crime reduction. Policy CS-13 of the Core Strategy requires the design and layout of new development to address these issues.

Planning Obligations will centre around a Night Time Community Safety Plan which will require the submission for council approval a plan providing a package of community safety measures identified as necessary in connection with the development or proposed use. Such measures could include signage, lighting, improvements of late night bus services or other transportation measures, CCTV, or any other night time community safety measures. Any development proposals for entertainment venues in the city centre will be expected to contribute to CCTV coverage. Current estimated costs for providing CCTV coverage are included below:

	City Wide	City Centre
Camera and fittings	£11,400	£14,400
Control room equipment (per camera)	£6,700	£6,700

6.6 Use of S.106 for the delivery of non infrastructure related mitigation

S106 will also be used to ensure the delivery of those core strategy policies unrelated to the provision of infrastructure, specifically:

- Employment and Skills
- Carbon Management
- Waste Management
- Highway Condition Survey
- Travel Planning

6.6.1 Employment and Skills

Threshold

All major planning applications

Core Strategy Reference

Policy CS-24 – Access to Jobs

In appropriate circumstances, and particular in respect of major developments consistent with Policy CS-24, the council will take account of the following additional matter:

- the aim of the Core Strategy to secure the economic, social and environmental well-being of citizens;
- the concerns and commitments included in the Southampton Partnership's Community Strategy, in particular the need to address

low economic activity rates and low skill levels amongst some city populations.

To address these issues and avoid an unnecessary increase in commuting to employment sites in the city, the council will assess on a site-by site basis the need for a developer commitment to targeted recruitment and training for city residents which should take the form of an Employment and Skills Plan. This plan should include targets for work experience and training, as well as measures to improve access to jobs for local people. The Employment and Skills Plan relates to both construction and occupation phases of development and could include the following:

- Consultations with the council on appropriate actions, setting out targets for recruitment of residents experiencing disadvantage, a programme of actions that will achieve these, and verifiable monitoring information that will be provided;
- The provision of recruitment and/or training facilities;
- Training linked to the development site; and
- Other measures to support access to jobs
- Plan Review procedures

Development may contribute positively to the promotion of economic competitiveness and social inclusion, helping people who experience difficulties entering or re-entering the labour market to get a job. The council will seek to work in partnership with developers to ensure that an acceptable Training and Employment Management Plan is submitted setting out steps they will take to expand the local labour market and the supply of appropriate skills in the local labour market, and how this will be resourced.

6.6.2 Carbon Management and Sustainability Measures

Threshold

Net gain of 5 residential units or 500 sq.m of non-residential floorspace

Core Strategy Reference

**Policy CS-20 – Tackling and Adapting to Climate Change. 1 c)
Contributing to the Carbon Offset Fund**

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.

Policy CS-20 sets out to support national policies aimed at reducing carbon emissions from new building by establishing a requirement to meet Code for Sustainable Homes standards and BREAM standards by reduce on site emissions to levels commensurate with the government's "Building a Greener Future" policy targets by encouraging improvement in the energy efficiency of new buildings, and support the use of renewable energy technology to enable by setting standards for onsite CO₂ reduction. Policy CS-20 states that "from 2012 - once energy efficiency measures and renewable or low-carbon technology opportunities have been maximised, any remaining CO₂ emissions can be offset through contributions to a carbon offset fund, which will be invested in offsite renewable energy and energy efficiency projects throughout the city". As such, where carbon neutrality for new developments cannot be achieved on site and secured by planning conditions, the developer will be required to contribute towards a Carbon Offset Fund. The calculation of any contribution will be relative to the design of the development proposed and is set out in the Southampton City Council Carbon Offset Study March 2012.

There would be a charge of £210 per tonne of Carbon Dioxide generated by the development. Although, the maximum amount that a development should contribute will not exceed £3 per sq.m of gross internal floorspace.

Where development proposals include the replacement of existing inefficient buildings, the difference in the amount of carbon emissions generated will not be taken into account in the calculation of the Carbon Offset Fund.

7 Glossary

Adoption

The point at which the final agreed version of a document comes fully into use.

Affordable Housing

Housing available at a significant discount below market levels so as to be affordable to householders who cannot either rent or purchase property that meets their needs on the open market. It can include social-rented housing and intermediate housing. It is defined in Planning Policy Statement 3: 'Housing'.

Annual Monitoring Report (AMR)

Document produced each year to report on progress in producing the Local Development Framework and implementing its policies.

Community Infrastructure

Facilities available for use by the community that could provide for a range of social, economic and environmental infrastructure needs.

Core Strategy

The main document in the Local Development Framework. It is a Development Plan Document containing the overall vision, objectives, strategy and key policies for managing development in Southampton.

Development Plan

The documents which together provide the main point of reference when considering planning proposals as defined in legislation.

Development Plan Documents

A document containing local planning policies or proposals that forms part of the Development Plan, which has been subject to independent examination.

Examination

An independent inquiry into the soundness of a draft Development Plan Document chaired by an Inspector appointed by the Secretary of State, whose recommendations are binding.

Heads of Term

The definition of the proposed terms of a S106 Agreement.

Infrastructure

A collective term used for services such as roads, electricity, sewerage, water, education and health facilities.

Interested Party

An interested party or person is someone who needs to be involved in directly complying with the provisions of a S106 Agreement e.g. all those with a material interest in the land.

Large Scale Major Development

A development comprising of a:

- residential development of 200 or more dwellings or ,where the residential units is not given, a site area of 4 hectares or more, or
- any other development where the floor space to be built is 10,000 sq m or more or where the site is 2 hectares or more as per the DCLG Development Control PS 1/2 statistical definition 2007/8.

Local Development Framework (LDF)

The collective term for the group of documents including Local Development Documents, the Local Development Scheme and Annual Monitoring Reports.

Mitigation measures

These are measures requested/ carried out in order to limit the damage by a particular development/ activity.

Open Space and Recreational Land

Open space within settlements includes parks, village greens, play areas, sports pitches, undeveloped plots, semi-natural areas and substantial private gardens. Outside built-up areas this includes parks, sports pitches and allotments.

Planning Obligation

Obligation (either an agreement or unilateral undertaking) under Section 106 of the Town and Country Planning Act 1990 (as amended).

Spatial Planning

Spatial planning goes beyond traditional land use planning. It brings together and integrates policies for the development and use of land with other policies and programmes which influence the nature of places and how they function. This will include policies which can impact on land use, for example, by influencing the demands on or needs for development, but which are not capable of being delivered solely or mainly through the granting of planning permission and may be delivered through other means.

Strategic Road Network

The Trunk Road and Motorway network, which, in England, is managed on behalf of the Secretary of State

Submission

Point at which a draft Development Plan Document (or the draft Statement of Community Involvement) is submitted to the Secretary of State for examination.

Supplementary Planning Documents (SPD)

An SPD provides additional guidance on the interpretation or application of policies and proposals in a Development Plan Document.

Sustainable Development

In broad terms this means development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The Government has set out five guiding principles for sustainable development in its strategy "Securing the future - UK Government strategy for sustainable development". The five guiding principles, to be achieved simultaneously, are: Living within environmental limits; Ensuring a strong healthy and just society; Achieving a sustainable economy; Promoting good governance; and Using sound science responsibly.

Unilateral Undertaking

Where a planning obligation is required to secure a financial contribution, instead of agreeing obligations through the standard process of negotiation and agreement between the council and the developer, developers may provide a Unilateral Undertaking. This is a document that contains covenants given by the developer and enforceable by the council, but with no reciprocal covenants given by the council. The council will only rely on such a Unilateral Undertaking to secure a financial contribution if its provisions are acceptable to the Council. The provider of the undertaking will have to submit evidence of legal title to the application site with the undertaking and will be responsible for the council's legal costs in checking the suitability and acceptability of the undertaking.

Use Class Order

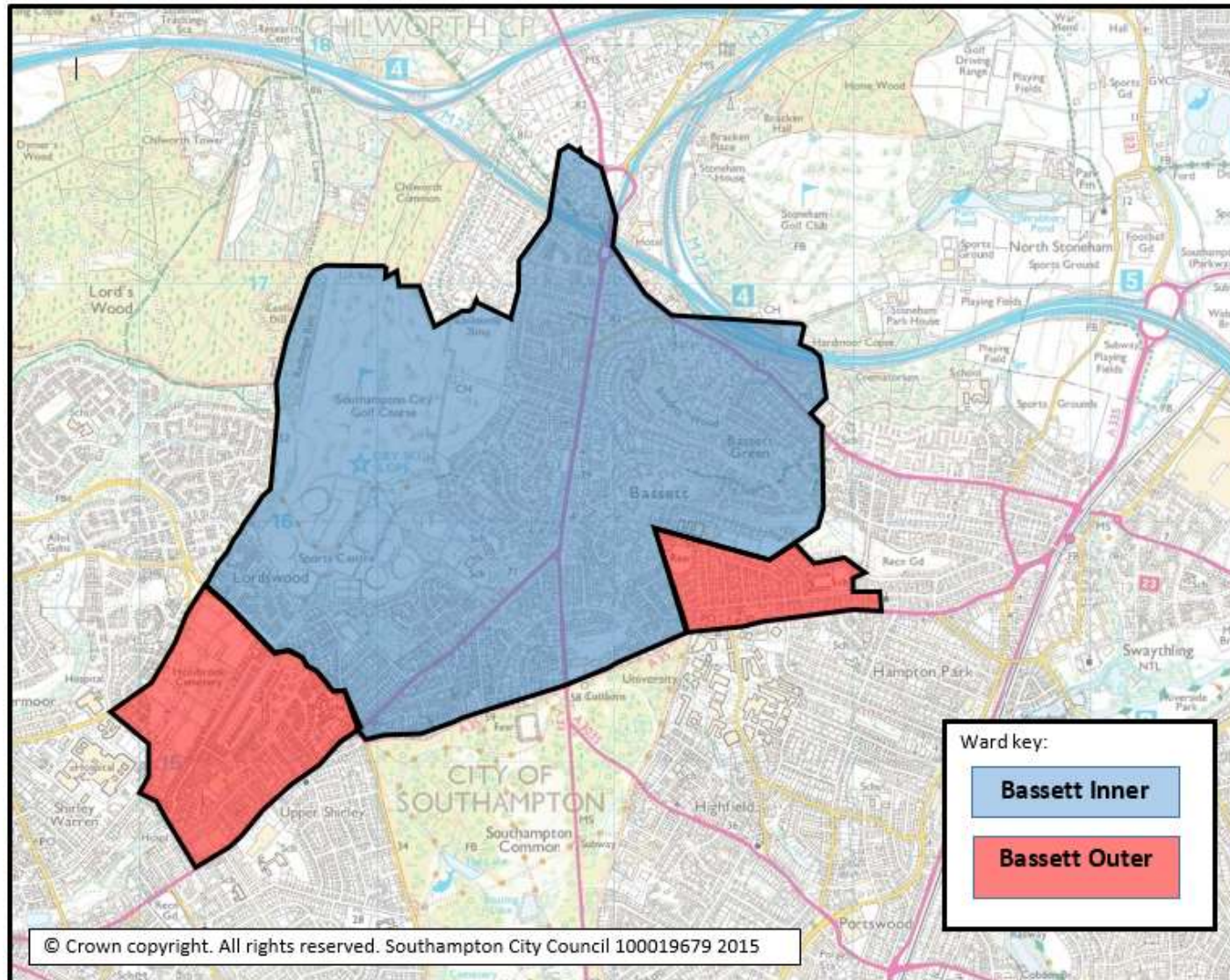
Planning regulations outlining a schedule of uses to which a given premises or building can be put. Some changes of use require planning permission.

Vitality and Viability

In terms of retailing, vitality is the capacity of a centre to grow or to develop its level of commercial activity. Viability is the capacity of a centre to achieve the commercial success necessary to sustain the existence of the centre.

Appendix A

Bassett ward inset map



Appendix A
Bargate ward

