

# Development Contributions

The use of planning obligations for the provision of community infrastructure



SUPPLEMENTARY **PLANNING DOCUMENT**

CANTERBURY  
DISTRICT  
LOCAL PLAN



Adopted January 2007

**CANTERBURY CITY COUNCIL**  
**SUPPLEMENTARY PLANNING DOCUMENT**  
**DEVELOPMENT CONTRIBUTIONS**

**1.0 Introduction**

- 1.1 The Canterbury District Local Plan First Review (adopted July 2006) sets out the Council's objectives for, and approach to, the use of planning obligations in planning decisions. This Supplementary Planning Document (SPD) provides more background information and detailed explanation of the Council's policy objectives for such obligations.
- 1.2 Chapter 8 of the Canterbury District Local Plan states that the City Council believes that planning obligations have a positive role to play in the planning system where such obligations are relevant to and commensurate with the scale and type of development and essential to the granting of planning permission. It further states that unacceptable developments will not be made acceptable by the applicant offering benefits. The requirement for planning obligations is specified by policy IMP2 of the Plan.

*“The City Council will seek through sums paid or other means set out in s106 of the Town and Country Planning Act 1990 contributions from developers that are necessary and directly relate in scale and kind to the to the development granted planning permission. Such contributions might relate to the provision of social, recreational or community facilities (including affordable housing, education, transport or utilities infrastructure), which may arise either at the development site, or at another suitable location elsewhere. A planning obligation will be sought or conditions imposed by the City Council to secure these contributions.”*

1.3 The Plan sets out the Council's expectation that new development should contribute towards associated new physical or social infrastructure, or direct economic or environmental benefits. The explanatory text sets out examples of the type of infrastructure to be provided:

- (a) Provision of affordable housing, education and community facilities to meet local needs;
- (b) Improvement of the District's transport and physical infrastructure system to include traffic and flood alleviation measures;
- (c) Provision of commercial or community buildings, open space, play area, pedestrian access and other facilities for the use of the public which are related to the development itself, which achieve an appropriate mix of development, complement the fulfilment of policies elsewhere in the Local Plan, or to the pedestrian movements which are generated and attracted;
- (d) Conservation of buildings or places of historic, architectural or archaeological interest and areas of nature conservation significance;
- (e) Provision of leisure facilities for use by the public, especially less profitable uses in the fields of the arts and recreation;
- (f) The provision of childcare, medical and other indoor community facilities relating to the development or where the development is likely to increase demand for such provision;
- (g) The provision of rear servicing when considered advantageous to the proposals. Arrangements should be complementary to, but not necessarily dependent upon, construction of any proposed rear service roads;
- (h) The cessation of non-conforming uses which detract from local amenity;
- (i) The provision for promotion of art and tourism within the District for the benefit of the public.
- (j) Employment skills training and initiatives towards life-long learning.

1.4 Other policies in the Plan require specific types of infrastructure or direct provision as a result of development. These policies are:

- Policy H4 (affordable housing and mixed housing types);

- Policies TC11 & C10 (contributions towards Park and Ride and public car park and cycling facilities);
- Policies TC12-15 (physical enhancements in the Regeneration Zones);
- Policy BE2 (public art);
- Policy C1 (the implementation of the Canterbury District Transport Action Plan);
- Policy C14 (health facilities);
- Policy C16 (education provision);
- Policy C26 (enhancement of the River Stour corridor); and
- Policy C27 (outdoor playing space).

1.5 This Supplementary Planning Document sets out the background to the changes affecting planning obligations, the Council's approach to planning obligations and the methodology for seeking planning obligation outcomes.

1.6 The guidance set out in this SPD does not remove the need for general infrastructure provision as part of new development proposals, or the need to deal with other site-specific constraints. Thus the provision of new vehicle access; flood risk measures; contamination, noise or air quality studies; archaeological investigation or protection; and similar measures is not addressed in this guidance.

## **2.0 The Background**

2.1 The statutory basis for planning obligations is contained in Section 106 of the Town and Country Planning Act 1990. This enables a person interested in land to enter into a planning obligation requiring land to be used in a specified way; requiring operations or activities to be carried out on that land; restricting the use of the land; or requiring the payment of financial sums. The obligation is enforceable by the local planning authority.

2.2 Sections 46 and 47 of the Planning and Compulsory Purchase Act 2004 give the Secretary of State to make regulations to replace section 106 but as these powers have not yet been taken the latest guidance is based on section 106.

2.3 Existing Government Guidance on “Planning Obligations” is contained in Circular 05/2005 (published 18 July 2005) which replaces Circular 1/97. The policy tests for planning obligations are set out in Appendix B of the Circular; a planning obligation must be:

(i) relevant to planning;

(ii) necessary to make the proposed development acceptable in planning terms;

(iii) directly related to the proposed development;

(iv) fairly and reasonably related in scale and kind to the proposed development;  
and

(v) reasonable in all other respects.

However the Circular recognises that the question of whether or not an obligation is valid and material in a particular case is ultimately a matter for the Courts. On a number of occasions, the Courts have held that planning obligations that go beyond the policy tests nevertheless meet the statutory requirements of the 1990 Act and are therefore still valid and material.

2.4 The Circular sets out some of the reforms to the planning obligations system proposed in the consultation paper *Contributing to sustainable communities: a new approach to planning obligations*, published on 6 November 2003. The changes in the Circular concern only the negotiation of planning obligations and do not introduce an optional planning charge as proposed in the Government's November 2003 consultation paper. A decision on the introduction of an optional planning charge will be made in the context of the Government's response to the Barker Review of Housing Supply, *Delivering stability: Securing our future housing needs* (17 March 2004). The Review's final report recommended the introduction of a Planning-gain Supplement accompanied by a "scaled-back" system of planning obligations – both of which would require legislation. Circular 05/2005 therefore concerns the improvements to the current system which the Government would like

to make in the interim period before further reforms are brought forward. More detailed information on the application of the Circular is given in good practice guidance on planning obligations published by the Department for Communities and Local Government in July 2006.

- 2.5 The Government has consulted on the introduction of a Planning-gain Supplement (PGS) as recommended in the Barker Review of Housing Supply. A PGS would capture a portion of the increase in land value that results from the granting of planning permission. The PGS consultation paper proposed that if a PGS were introduced, planning obligations would be limited to cover only those matters relating to the physical environment of the development site and affordable housing provision. The best practice guidance referred to above states: “The introduction of a PGS, and any accompanying scaling back of planning obligations, would not take place before 2008 at the earliest. In the meantime this guidance is intended to contribute towards improving delivery of planning obligations through the existing s106 regime”.
- 2.6 The Draft SE Plan, in its Implementation Plan, identifies the need to maximise the financial contribution of the private sector towards the provision of infrastructure. Research commissioned by SEERA suggests that a PGS or standard tariff approach would be more effective in maximising private sector contributions than the current arrangements.
- 2.7 “The preferred way forward identified by the Regional Assembly is a blend of mechanisms comprising:
  - i Longer term commitments by Government to sustained high level of public sector investment funding, irrespective of whatever other arrangements are put in place to capture private sector contributions
  - ii Enhancement of the current arrangements for capturing increases in land value either through:
    - the introduction of a locally administered Planning Gain Supplement or

- the extension of the local tariff approach pioneered in the Growth Areas to other major areas of growth and the more effective use of section 106 arrangements elsewhere

iii The creation of a Regional Infrastructure Fund to facilitate the timely delivery of sub-regional or regionally significant infrastructure projects.”

2.8 The Kent and Medway Structure Plan (adopted July 2006) recognises that it is important that the costs of providing new community facilities to support new housing or other development is met by the development in question and this is reflected in Policy QL12:

Provision for New Community Services and Infrastructure

(a) Provision will be made to accommodate additional requirements for local community services\* within new residential, commercial and mixed use developments or through the provision or upgrading of facilities nearby in response to:

- needs generated by the new development
- growth in demand from the community as a whole.

(b) Development will not be permitted until the basis for the funding of the community services it requires has been identified and agreed.

(c) Provision will be made in Local Development Documents for new community facilities. Specifically land will be provided for:

- expansion of further and/or higher education at Canterbury, Medway and Ashford
- primary and secondary schools in areas of major new dwelling provision
- a new general hospital at Tunbridge Wells.

New community services will be located where they are accessible by walking and cycling and by public transport from the area they serve. Whenever practical they will be located in town, district or local centres.

***\*‘community services’ includes schools and other education provision, social services, adult education, libraries, youth and community services, police and emergency services, health, culture, places of worship, recreation and amenity space, sport, local shopping, public utilities, and transport.***

In addition Policy IM1 of the KMSP is concerned with meeting the costs of community and other infrastructure needs generated by new development and states:

The local planning authorities will require appropriate and proportionate contributions from developments to meet the costs of providing community, transport and other infrastructure necessary to provide for the needs arising from the development. Such contributions will be agreed before planning permission is granted and the facilities and/or services will be provided in accordance with an agreed phasing programme and, where appropriate, ongoing management and/or maintenance arrangements.

Kent County Council has also produced its own guide to developer contributions, which is concerned with those elements of social infrastructure with which the County Council is primarily responsible. Where there is overlap or conflict between the KCC guide and the priorities identified by the City Council it is the latter which will take precedence.

2.9 The Canterbury District Local Plan First Review (adopted July 2006) Policy IMP2 states:

The City Council will seek through sums paid or other means set out in s106 of the Town and Country Planning Act 1990 contributions from developers that are necessary and directly relate in scale and kind to the to the development granted planning permission. Such contributions might relate to the provision of social, recreational or community facilities (including affordable housing, education, transport or utilities infrastructure), which may arise either at the development site, or at another suitable location elsewhere. A planning obligation will be sought or conditions imposed by the City Council to secure these contributions.

### **3.0 The Council's Approach to Planning Obligations**

3.1 The Council considers that the following four areas are consistently the most important for seeking developer contributions:

- Affordable housing (Appendix 1)

Applicable to sites of 0.5 hectare or more, or 15 or more dwellings in urban areas; and 5 or more units in rural areas (unless otherwise stated under Local Plan Policy H4 or in a Development Brief).

- Education (Appendix 2)

Applicable to all residential development, normally comprising and providing two or more bedrooms, and where local primary and secondary schools have reached their roll capacity.

- Transport (Appendix 3)

Applicable to all housing, employment and education developments on a tariff basis which differentiates between Canterbury City and the rest of the District.

- Open Space (Appendix 4)

Applicable to all new residential development. The contribution will be sought on a per-dwelling basis either to be provided as part of the housing development or through a financial contribution where a programme and cost for the improvement or provision of local outdoor playing space has been identified through the Council's Sports or Community Strategy.

3.2 Apart from the four key areas above there are other projects and objectives identified in the Local Plan (see para 1.4 above) which are community benefits which may attract funding as and when appropriate. In addition proposals in specific locations may be required to contribute to public realm initiatives, for example environmental improvements in Canterbury High Street and Herne Bay shopping area, environmental and access improvements in Whitstable, public art et cetera. Also in

certain areas contributions for flood defence schemes will be appropriate. (Appendix 5)

- 3.3 Apart from the general education contributions (Appendix 2) in some circumstances it will be desirable and appropriate for the City Council to seek contributions on behalf of the County Council for the provision of other facilities such as libraries, adult education et cetera. (Appendix 5). However, **it should be noted that where there is a conflict between the KCC Contributions Guide and this SPD, the provisions of this SPD will take priority.**
- 3.4 **It should be noted that it is the Council's policy to seek the provision of all relevant contributions as part of new development proposals.** This SPD seeks to provide additional advice about how this policy will operate, and to identify the Council's key priorities. Paragraph 4.2 (iii) below sets out circumstances under which a contribution may not be sought.
- 3.5 In some instances, the Council would prefer the use of conditions for development contributions, where this would reduce delays in issuing a planning consent without compromising development contributions. This may also be appropriate in some small-scale developments eg. of fewer than ten dwellings. Circular 05/2005 recognises that there are advantages in using conditions in preference to planning obligations as appeal and enforcement procedures are more straightforward in relation to conditions.
- 3.6 However, the Circular reiterates the guidance given in DOE Circular 11/95 that permission cannot be granted subject to a condition requiring the developer to enter a planning obligation under section 106 of the Act (Town and Country Planning Act 1990 as substituted by the Planning and Compensation Act 1991). In broad terms it is expected that the larger and more complex development proposals will need a s106 agreement, and less complex or smaller proposals could be dealt with using conditions. The implementation of s106 agreements will be monitored to ensure compliance.

#### **4.0 Formulae and Standard Charges**

- 4.1 This SPD has set out the circumstances when a contribution will be sought from developers to address the impact of certain types of development on physical and social infrastructure across the district. In the Council's view the thresholds above provide certainty for when contributions will be sought and in what circumstances.
- 4.2 The Council's preferred approach is to continue with seeking outcomes on the basis of these thresholds and standard charges for the following reasons:
- (i) The Local Plan First Review policies and objectives are fixed once the Plan is adopted, or when formal revisions to parts of it are adopted by the Council. However, the Council's Community Strategy, Sports Strategy, Housing Strategy and other strategies and initiatives are on a rolling programme and do not have the same time frame as the Local Plan. As such, a community impact assessment, for example, may not be available when a new development is being brought forward in a certain area. Therefore, in certain circumstances, a development in one location may not contribute as much towards social infrastructure as a similar development in a different location. This approach is intended to be transparent and fair.
  - (ii) The cost of the provision of certain physical and social infrastructure have been calculated, and these are set out in the relevant appendices. This approach is intended to be transparent and fair.
  - (iii) The Council's existing approach towards negotiating planning obligations has worked well. For the time being, there seems little point in changing a system that works. Furthermore, the thresholds and circumstances set out above that will apply provide a degree of certainty and transparency which the Council considers will meet the Government's objectives for the planning obligations reforms.

- (iv) The estimated costs of some major projects will need to be updated to reflect changing costs over time.

### Viability Issues

- 4.3 In negotiating on the development contributions set out in this SPD, the Council will take into account issues of development viability on individual sites. The Council recognises that full contributions might, in some circumstances, render a development unviable, particularly in relation to some “brownfield” sites. Costs such as those relating to contamination mitigation will clearly have a bearing on the viability of development, as will issues such as archaeological investigation work or flood risk mitigation. Sometimes the costs associated with development involving such matters are unknown in advance.
- 4.4 The appraisal should clearly set out full details of how the gross development value and gross development cost has been assessed together with how that has affected the viability of the development scheme. The Council will wish to satisfy itself as to the adequacy of the development appraisal in regard to local market conditions and reserves the right to submit the appraisal to an independent development valuation specialist of the Council’s choice, at the developer’s own expense. In that regard the developer/applicant will be required to indemnify the council in respect of all proper and reasonable professional costs irrespective of the outcome. Independent assessors will need to be suitably qualified (eg RTPI, RICS etc) person, for whom no conflict of interest exists.
- 4.5 In particular the developer/applicant will, at the outset, be expected to submit a development appraisal in support of their proposals clearly showing their assumptions in regard to:
- ❑ land acquisition costs
  - ❑ infrastructure costs (including highways infrastructure costs)
  - ❑ site preparation costs
  - ❑ construction costs

- ❑ professional fees
- ❑ contingencies
- ❑ finance
- ❑ promotion and marketing
- ❑ estimated rental / capital value for each of the various uses
- ❑ estimated capital value of the scheme shown as a total
- ❑ developer's profit
- ❑ different density levels/mix of uses
- ❑ other costs – eg s278 agreements
- ❑ development cash flow identifying construction and sales programme

## **5.0 Prioritisation of Contributions and Projects**

5.1 The main priorities for funding will usually be the four key areas identified in para 3.5 (Affordable Housing, Education, Transport and Open Space). However different proposals will have different implications for funding. For example, it would not be justifiable to seek an education from a sheltered housing proposal specifically for the elderly. Inevitable each planning application will need to be dealt with on a case by case basis. There will often be competing candidates for funding and there will be a need to determine priorities. The method of prioritisation will be considered by the Council, and the appropriate procedure established.

## **6.0 Holding Contributions & Audit Procedure**

6.1 The Council wishes to ensure that its handling of development contributions is transparent and seen to be fair. To supplement this SPD, the Council will also produce a document outlining the processes that it intends to put in place to assist the speeding up and transparency of this approach. This will include; making information available as soon as possible regarding the level of financial contribution which will be sought and towards what type of infrastructure; pooling development

contributions so that these can be accrued to enable programmes and works to be implemented within a timeframe, and; preparing templates for S106 Agreements and planning obligations to assist speed, predictability, transparency and accountability in decision making.

- 6.2 Some of the projects to be funded by development contributions will evidently not be delivered on the basis of individual development contributions. In these circumstances, the Council will hold contributions in a “pool” (within a ring-fenced interest bearing suspense account) until such time as there is sufficient funding to implement such projects (which may be as long as 10 to 15 years). These contributions “pools” will be clearly identified for the various purposes set out in this SPD, and will be audited and monitored to ensure that the development contributions are used for the original purpose intended. This procedure will be open to public inspection so that the process and proposed end use of contributions is transparent.
- 6.3 There may be unforeseen circumstances where the Council would wish to use development contributions for purposes other than those originally intended. In this situation, the Council will make every effort to contact the original contributor to explain the reasons for the change in approach, and seek their agreement to it, before proceeding.

## **7.0 Conclusion**

- 7.1 In response to the Government’s objectives for reforming its policy on planning obligations, the Council has set out in this SPD the types of development that will have a direct impact upon physical and social infrastructure across the district and the ways in which the Council will seek to address these impacts through planning obligations. Secondly, the Council has explained why the approach on the basis of standard charges to planning obligations is its preferred option to help offset the impacts of new development. Finally, the Council considers that, by setting out these thresholds and by explaining how these thresholds will be used, a degree of certainty and transparency is achieved.

7.2 The Council is also firmly committed to monitoring and reviewing the outcomes of Policy IMP2 and this SPD. The timeframe for the Government's decision whether to introduce more major reforms to the system of planning obligations provides an ideal time frame within which to identify what works well and what needs to be amended. It is proposed therefore that this SPD will be the Council's adopted guidance for this interim period at least.

7.3 Produced separately to this SPD the Council will also prepare standard Section 106 Agreements to assist in the speeding up of planning decisions, and to make the whole approach more consistent with best practice advice.

## **Appendix 1: Delivering Housing for Local People**

### **1. Introduction and links with the Local Development Framework**

Canterbury City Council has completed extensive research into the demand for new housing to meet the needs of the district's community. The findings of this research have been used to inform the development of the Council's Housing Strategy statement, which sets out how the Council intends to tackle housing need in the district. Canterbury City Council's Housing Strategy identifies the need for new homes in the district to the year 2010. The 2004 Housing Needs Study examined this need for new homes in more detail and linked the demand for new homes with income levels in the district. The study recommended increasing the proportion of all new homes in the district that are affordable homes to meet local needs (local needs housing). The current rate of local needs housing development in the district is around 120 new homes per year. This SPD sets out to establish a clear definition of local needs housing for the Canterbury District and to consider how planning powers available to the Council can be effectively used to increase the rate of local needs housing development in the district.

### **2. Establishing the level of local need**

The 2004 Housing Needs Study reported a widespread shortage of local needs homes in the Canterbury district, and identified a specific need for 776 new local needs homes to be provided each year. The study also reported a significant increase in affordability problems since the previous Housing Needs Study, completed in 1999. In particular:

- Prices in the district rose by 129% in the period from 1999 to 2004.
- The average property price in the district is around 11% higher than the England and Wales average.
- Minimum prices for market purchase range from £84,000 to £197,000 depending on the size of home needed.

The average net household income in the district is just £386 per week (equivalent to £20,072 per annum). Government guidance defines local needs housing, on this level of income, as costing no more than 27% of net household income, currently £104 per week. The table below shows the minimum weekly costs of market housing, both for sale and rent, in the district at the time of the 2004 study.

Size	Minimum Market Cost (Owner occupation)	Minimum Market Cost (Private renting)
1 bedroom	£93	£107
2 bedroom	£137	£133
3 bedroom	£164	£156
4 bedroom	£217	£208

The study analysed the incomes of households in housing need in the Canterbury district and reported that 85% of existing households needing to move, and 81% of all newly forming households each year, have incomes below the level needed to access market housing to meet their needs.

More detailed analysis of the housing need identified reveals that households that are unable to afford owner-occupation or market renting, have a broad range of incomes, and that 30% can afford some form of intermediate housing. Intermediate housing is discussed in more detail in section 5 below. When the existing supply of local needs homes in the district is taken into account, the analysis suggests that 45% of new local needs housing could be intermediate tenures.

The study concludes with the recommendation that the council sets a target that 40% of all new homes on suitable sites are for local needs. This SPD considers these recommendations and other local factors, and sets a target for the delivery of housing for local people on sites in the district, that reflects both the recommendations of the study and specific local factors effecting the district's housing market. It also establishes a mechanism for negotiating and delivering local needs housing.

### **3. The Policy context**

Planning Policy Guidance Note 3: 'Housing' (PPG3) states that "a community's need for a mix of housing types, including local needs housing is a material planning consideration which should be taken into account in formulating development plan policies and in deciding planning applications involving housing". In addition, Section 106 of the Town and Country Planning Act 1990 provides a mechanism to require developments to include provision for local needs housing and to secure contributions from developers towards the costs. Further guidance is provided in Department of the Environment, Transport and the Regions Circular 06/98: "Planning and Affordable Housing".

*Policy D55*

The City Council will negotiate with developers of appropriate housing proposals to seek the provision of an element of affordable housing as part of the scheme. The amount of affordable housing to be provided will be determined by negotiation between the developers and the local authority and will be related to local need and take into account the prevailing market and site conditions.

*Policy H2*

The City Council will seek the provision of affordable housing and mixed housing types on appropriate sites, or on sites allocated in the Local Plan through the Urban Housing Capacity Study. This provision will be related to housing need, as identified in the Supplementary Planning Guidance, and will take account of prevailing market and site conditions.

The Housing Corporation in Circular F2 42/98 supports the use of Section 106 agreements to secure the provision of local needs housing. The Circular states that, "the basic objective of developers' contributions is to provide additional affordable housing". The policy background should enable the Council to take full advantage of the legislation, and ensure that the realistic and consistent levels of developer contributions towards the costs of local needs housing are secured for the district.

To enable the development of both social rented and intermediate housing, substantial levels of subsidy are required to enable the resulting rents or purchase prices to be within the local needs limits of the local population set out below. Traditionally this subsidy has come from public sources such as Housing Corporation Social Housing Grant or Local Authority Social Housing Grant. However, the level of resources available for new Social Housing Grant is wholly inadequate to fund the investment required meeting the target for local needs homes.

Canterbury City Council and other local authorities around the country have achieved success in the use of Section 106 agreements to obtain additional resources for the provision of new local needs housing. These agreements have had the effect of increasing the number of new local needs homes provided for in the district with the levels of Social Housing Grant available.

The levels of additional resources generated in the Canterbury district have so far been modest in comparison with other local authority areas. This guidance therefore sets out a proposal that will enable the Council to increase the resources available for new local needs housing. In particular, it will enable new local needs housing to be provided without social housing grant.

Regional Planning Guidance note 9 (RPG9) and PPG 3 indicate that a range of dwelling types and sizes should be provided in order to meet the needs of all sectors of the community and to plan for balanced communities.

This SPD makes provision for a range of responses to meet the need for local needs housing and will make a significant contribution to the aim of developing balanced and sustainable communities.

#### **4. Setting a local target for local needs homes**

The available information on housing needs and aspirations in the district and other local factors effecting the district's housing market suggest that a target of 35% local needs housing should be set and that this should be subdivided into tenure specific targets. This guidance refers to both social rented homes and intermediate cost homes. Intermediate cost homes include both shared ownership and intermediate renting options.

The specific local needs housing targets for all appropriate sites are:

<b>Social Rented Homes</b>	<b>20%</b>
<b>Intermediate cost homes</b>	<b>15%</b>
<b>Total Local needs Housing</b>	<b>35%</b>

The City Council will seek the provision of local needs housing as set out above in all suitable future developments within the district. It is recognised however that there may need to be some variations in these targets around the district to take account of local issues and needs, and that smaller developments will have some difficulty in supporting this level of local needs housing.

To comply with Government guidance it is essential that the policy secure sufficient local needs housing to meet needs, based on a robust local assessment. The overall district target of 35% for local needs housing will be applied on all appropriate identified, allocated and windfall sites as set out in Circular 6/98, and in the City Council's Urban Housing Capacity Study and set out in Chapter 2 of the Local Plan First Review 2001-2011.

This guidance sets specific site size thresholds for the identification of appropriate allocated and windfall sites. All sites above the threshold will be subject to the requirements of this guidance.

**Appropriate allocated and windfall sites will include:**

**All sites of 15 units or over or ½ hectare or over and sites of 5 units or over in rural areas.**

The mix of dwellings and tenure types at each site will be negotiated to reflect local needs, but will contribute to achieving the overall district targets set out above.

## **5. Defining affordability**

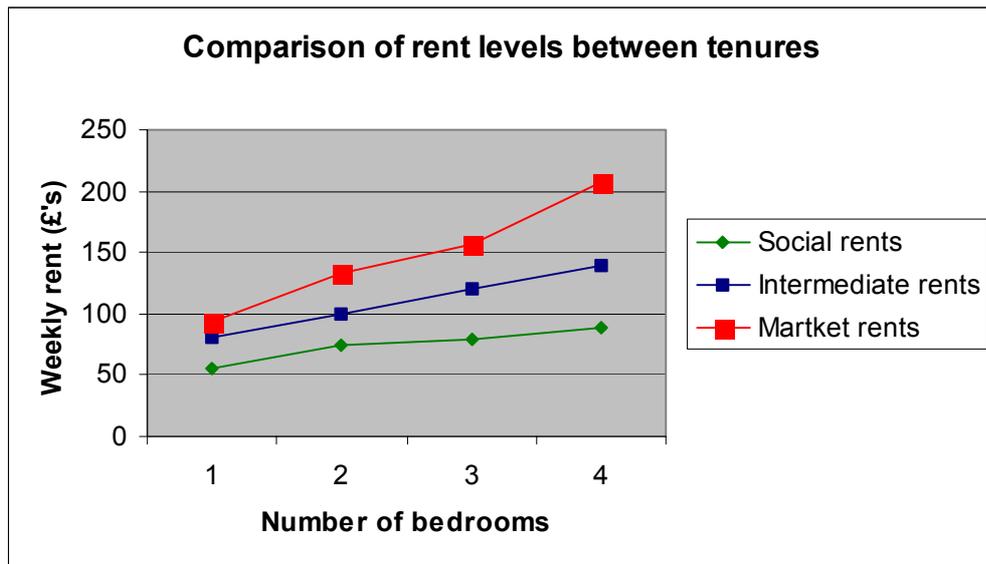
Government and National Housing Federation Guidelines indicate that affordability varies according to the income of the household. A household earning up to £15,000 (net) per annum is assumed to be able to afford up to 25% of their income on meeting their housing costs. A household earning £40,000 per annum or more is assumed to be able to afford 35% of their net income being spent on meeting their housing costs. For those on incomes between £15,000 and £40,000 the threshold for affordability increases by around 2% per £5,000.

These guidelines are therefore based on 27% of the net average district household income. This was £20,072 at the time of the 2004 Housing Needs Study, when a household on average district incomes could afford £104 per week on housing costs. Therefore to ensure that the homes provided are affordable to local people the following guidelines for each tenure option will be used:

**Social Rented:** The Housing Corporation monitors a maximum rent that can be charged for Registered Social Landlord (RSL) homes, using its target rent regime.

**Shared Ownership:** This tenure option is targeted at those households who aspire to owner occupation but whose income is below that required to access the housing market. Shared ownership dwellings will therefore be developed at a cost affordable to households with incomes in the range of £15,000 to £40,000, based on the formula set out above. The range of potential incomes within this target group will require a choice of shared ownership options to be available, and it is intended that purchasers will be able to acquire lesser or greater tranches of equity dependent upon their income. To ensure that there are affordable options for households across the target income range the average cost of shared equity homes provided on any scheme should be affordable to a household on average incomes.

**Intermediate Renting:** Intermediate renting is between market renting and social renting levels. Based on the findings of the 2004 Housing Needs Study the maximum rent that is affordable for a household with the district average income is £104 per week. The graph below indicates the range of intermediate rents around this overall average, across all sizes of accommodation.



Based on this information the table below shows the affordability limits that will be applied during 2005/06 to all intermediate rented homes.

Property Size	District Minimum Social Rent	District Minimum Market Weekly Cost	Maximum Intermediate Rent
1 bedroom	£55	£93	£80
2 bedroom	£74	£133	£100
3 bedroom	£79	£156	£120
4 bedroom	£89	£208	£140
<b>All property sizes</b>	<b>£74</b>	<b>£148</b>	<b>£104</b>

These guidelines are based on the current average income levels in the district, and will apply during the year from April 2005. Both incomes and market values will increase over time, and it is therefore proposed that the guideline costs for shared ownership and intermediate renting set out above are increased in line with the annual rate of inflation (RPI).

The Housing Corporation currently limits RSL rent increases to RPI + ½% each year.

In certain circumstances there may be additional service charges over and above these cost limits. If service charges are appropriate they will be restricted to charges that are eligible for Housing Benefit, and set at a level on which Housing Benefit could be paid to a qualifying occupant.

## **6. Delivering Local needs Homes**

It is expected that through this SPD any local needs homes provided through a development will not be subsidised by Housing Grant. This should ensure that there is no additional drain on housing subsidy and should allow the land value and cost of development to be factored into the negotiations between the developer and the Registered Social Landlord (RSL), in the knowledge that there will not be subsidy available. Otherwise, public money that would go towards one project would be redirected to another and would not achieve the object of increasing the overall supply of local needs homes.

To achieve the targets and cost limits set out above the council will use the following framework for negotiating and delivering local needs homes using Section 106 of the Town and Country Planning Act 1990.

The Council will encourage discussions with developers and registered social landlords at the outset of any development proposals. It will provide a pre-scheme brief setting out the preferred arrangements for the provision of local needs housing and a draft section 106 agreement or draft conditions, using standard clauses. Developers will be required to pay the legal and administrative costs of negotiating and setting up agreements or conditions. Agreements or conditions will set out the proposed arrangements, and cover the following issues:

- **Costs and developer contributions.** Specific costs and contributions will need to be negotiated between developers and Registered Social Landlords for the transfer of local needs homes or land. The agreement will be required to enable the delivery of the agreed local needs homes at the cost limits set out above, and should be in a form approved by the council.
- **Location of homes.** It is the council's preference to achieve a full dispersal of local needs homes throughout larger developments wherever practicable from a

planning, management of leasehold perspective, to ensure social integration and cohesion. The agreement will be required to identify the agreed local needs housing locations.

- **Tenure type and size mix.** The tenure, type and size of local needs homes provided should reflect the local needs. The council will be able to advise upon the need tenure, type and size in any location. The negotiated and agreed mix will be specified within the agreement.
- **Working with preferred partners.** The council has selected a list of preferred Registered Social Landlord partners, based upon their performance, service delivery and relevance to local needs. The list is reviewed from time to time. In normal circumstances local needs housing should be delivered in partnership with one of these organisations.
- **Agreeing a timetable.** The agreement will be required to specify agreed trigger points for the delivery of local needs homes, to enable appropriate planning and finance to be secured.
- **Standards to be achieved.** Local needs homes would normally be required to meet Housing Corporation Scheme Design Standards and an Eco-Homes rating of very good.
- **Lifetime homes.** The 2004 Housing Needs Study identified a specific need for homes suitable for people with physical disabilities. As a result the Housing Strategy sets a target for 20% of all new local needs homes to be constructed to lifetime homes standards as published by the Joseph Rowntree Foundation. Wherever possible the council will seek to achieve this target on all appropriate sites.
- **Mortgagor in possession.** Mortgagor in possession clauses will be required in all agreements to facilitate the Registered Social Landlord involved, raising the necessary capital borrowing.

## 7. Negotiation

Circular 6/98 (Planning and Affordable Housing) sets out criteria for seeking local needs housing on some sites, and inherent in the guidance is the need for site by site evaluation and, if necessary, negotiation. For example, the proximity of local services and facilities and access to public transport would need to be considered; whether there would be particular costs associated with development of the site; and whether the provision of local needs housing would prejudice the realisation of other planning objectives that would need to be given priority in the development of the site.

Therefore, both the SPD and Local Plan policies enable flexibility in negotiation, however the council's starting point in any negotiations will always be the local needs housing target set out in this document.

## **8. Site specific costs**

In some cases, the costs of a particular development necessitate a reduction in the provision of local needs housing on a particular site. With many brownfield sites there are usually additional costs involved in redevelopment, such as demolition or decontamination of the land. In these instances, a "viability analysis" will be sought from the developer to demonstrate the extent of the costs and the realistic need to reduce the provision of local needs housing from the scheme.

It is expected, although not guaranteed, that the purchase price of land will be lowered to reflect the Council's revised expectations for local needs housing. This should not therefore have a significant dent in the developers' profit margin, but rather result in a reduction in the amount received by the landowner. It is important therefore that this SPD is considered early in the planning negotiation stage.

## **9. Financial viability**

The council accepts that the requirements of this guidance may impact on the financial viability of any particular development site, as set out in sections seven and eight above.

In the event that a site developer, landowner or agent indicates that the requirements of the guidance cannot be met in full, because they make the site unviable to develop, the council will require a detailed open book financial appraisal to be submitted to demonstrate this and to support the negotiation of a viable solution. The detailed requirements of the financial appraisals required are contained within the council's Supplementary Planning Document (paragraph 4.3).

Submitted financial appraisals will be scrutinised in detail by the council. The council will ensure that financial appraisals submitted will be confidential and will not be shared with any third party organisations.

## **10. Commuted sums**

In some circumstances the Council may decide that it is more appropriate for the developer to make a cash contribution for the provision of local needs housing on another site in the locality. This contribution is known as a commuted sum. It is proposed that where a commuted sum is appropriate its value will be calculated on the basis of the formula set out below. Generally it will be the Council's preferred option to secure local needs housing within the development site, in order to maximise the opportunity for local needs housing development and to encourage tenure diversity within new developments.

The contribution is intended to cover the actual costs of finding an alternative site and constructing the same number and mix of types, sizes and tenure of homes new local needs homes that would have been provided with an on-site solution. The council will calculate the required contribution, taking into account the purchase of suitable land, the costs of construction and appropriate on-costs. The calculation will also take into

account the maximum contribution that an RSL could make to the development and still meet the cost limits set out in section 5 above.

The exact requirements for the mix of types, sizes and tenure of homes to be provided on any individual site around the district will vary, depending on indicators of local need. The number of homes in the calculation would be based on the percentage target set out in section four above, and the Council will determine the preferred mix for individual sites with reference to local need, in exactly the same way as for an on-site solution. The preferred mix of homes will impact on the value of the commuted sum required from the developer.

It is clear that the economics of housing development set an absolute limit on the value of contributions that can be supported by any particular site, and it is unlikely that developers would be able to proceed on a site if their profit margin fell to low. It is important to note that contributions towards local needs housing will impact upon the ability of developers to contribute towards other planning gain for the community such as education, transport, archaeology or community projects. It is proposed therefore that the exact level of contribution for each site will therefore be determined on the basis of the above formula, but will take into account other planning priorities for the locality. It is anticipated that ultimately the costs of the increased financial demands on developers as a result of this policy will be reflected in lower land values in the district.

## **Appendix 2**

### **Education**

The County Council is the Local Education Authority (LEA) for primary and secondary schools in the County including Post 16. The LEA works in conjunction with the Kent Learning & Skills Council as a large percentage of secondary school aged students continue their studies at LEA facilities.

The County Council is also the Children's Services Authority and has a duty to promote and improve the wellbeing of children under the Children Act 2004. The County Council is also required to facilitate nursery education. Where a need is identified contributions will be sought.

### **Methodology**

The following outlines the LEAs general approach to Development Contributions, which is based on the requirement created by a particular development in a particular location.

### **Primary and Secondary**

1. The Methodology takes into account:

- . • All planning applications will be considered.
- . • Applicable dwellings – All dwellings excluding 1-bed units of less than 56m<sup>2</sup> GIA and sheltered accommodation specifically for the elderly will be excluded from calculations.
- School capacities and forecast rolls assessed on
  - . • Primary schools within 2 mile radius of site
  - . • Secondary schools within 3 mile radius of site
  - . • Inclusion of other known planning applications in the vicinity.
  - . • Pupil Product Ratios (PPR's)
  - . • Cost Multipliers
  - . • Land acquisition costs are not included in the rate per dwelling.
  - . • On substantial development sites (usually 300+ units) there may also be the requirement for a new school or multi functional site, to be provided at no cost to the LPA, KCC or LEA. Please refer to Appendix 1 for general details of site requirements.

2. The detailed calculation uses the following factors:

Pupil Product Ratios (PPR's)

The likely pupil product from the subject development is calculated and an assessment made as to whether the local schools will be able to accommodate those pupils in the long term. The figures for new housing are the result of extensive research commissioned by the Strategic Authority and undertaken by MORI in 2005/2006. The

Pupil Product Ratios are set out below.

	Flats	Houses
Nursery (3 –4 years old)	0.03	0.09
Primary (5 – 11 years old)	0.07	0.28
Secondary (12 – 18 years old)	0.05	0.20

These figures are calculated on the basis that not all children attend state schools, and that a proportion of pupils in new housing will already be local.

•Cost Multipliers

The following figures represent the average cost per pupil place, based on actual projects carried out by Kent LEA in the recent past. They may be subject to revision as and when necessary but at least annually to reflect changes in build costs.

**Current costs per pupil place for 2006**

Primary–extension*	£6,279.00
Primary-newbuild*	£10,876.00
Secondary-extension	£10,552.00
Secondary-newbuild	£19,874.00

Costs are subject to review as and when necessary but at least annually to reflect changes in build costs.

\* These figures do not include the provision of nursery and/or multi-agency space

In this respect, alterations brought about by The Children’s Act 2004 in relation to preventative care may necessitate additional requirements and build costs in order to provide the appropriate level of infrastructure and service. This will generally occur where new primary schools are required and will include provision of nursery and/or multi-agency space but may also apply where a school is being extended or space altered to provide the required facilities.

Where all applicable dwellings will make a contribution the above figures equate to a per dwelling rate as follows:-

### **Contribution rate per dwelling for 2006:**

This is derived by multiplying the relevant PPR by the relevant cost per pupil place, all as indicated above.

	Flat	House
Primary – extension*	<b>£439.53</b>	<b>£1758.12</b>
Primary – new build*	<b>£761.32</b>	<b>£3045.28</b>
Secondary – extension	<b>£527.60</b>	<b>£2110.40</b>
Secondary - new build	<b>£993.70</b>	<b>£3974.80</b>

Costs are subject to review as and when necessary but at least annually to reflect changes in build costs.

\* These figures do not include the provision of nursery and/or multi-agency space

In this respect, alterations brought about by The Children's Act 2004 in relation to preventative care may necessitate additional requirements and build costs in order to provide the appropriate level of infrastructure and service. This will generally occur where new primary schools are required and will include provision of nursery and/or multi-agency space but may also apply where a school is being extended or space altered to provide the required facilities.

### **3. School Capacity Assessments**

- All primary schools within a 2-mile radius and secondary schools within a 3-mile radius of the proposed development are assessed for capacity, current roll and forecast rolls over the long term. If there is no school within these distances then the nearest appropriate school(s) will be used.
- On occasions, a secondary school may be included even if further than 3 miles away, if it appears likely that it may be chosen by residents of the new development as the nearest appropriate school.
- These figures are valid for a period of 3 months from the date of issue by KCC and are subject to variation in respect of the timing, details of a specific proposal and costs.

- The radii are based on DfES criteria for appropriate walking to school distances and are also used when LEAs seek borrowing approval from the DfES for capital building projects.

## **Appendix 3**

### **Transport Infrastructure**

#### **Transport Infrastructure – Policy for development related contributions**

##### **Introduction**

This report is intended to outline a proposal for securing long term funding to deliver the aims of the Canterbury District Transport Plan. Infrastructure improvements will need to be funded, primarily, through public sources – eg Highway Agency, Kent County Council and the City Council. However, there is increasing reliance on private sector investment to support or pump prime key projects. The planning process is likely to provide the best mechanism for securing private funding.

##### **Proposed Approach**

There are two ways of attracting infrastructure contributions through development; both approaches should be used, as appropriate:

- a) Assess the direct impact of the proposed development on the existing transport infrastructure. Enter into a section 106 agreement to ensure that improvements are made, at the expense of the developer, to mitigate the impact. Usually, amelioration measures are carried out close to the development site.
  
- b) Assess the general transport infrastructure requirement over a larger area (sector) and the overall impact of new development over the Local Plan period. Consider the contribution that can be made by each new development proposal to support the approved transport action plan. A standard tariff will be established for new developments to create a transport improvements fund.

For the Canterbury district, two sectors are proposed: the Canterbury urban area, and the Coastal towns and rural areas.

Measures set out in the Local Transport Plan in each of the two sectors have been collated. The total funding required to deliver the plan has been calculated and this can be compared with the estimate of public sector funding likely to become available. The balance represents the shortfall in funding which could be secured through developers' contributions. An example of the approach is set out in App 1.

The District Transport Action Plan does not specifically address improvements to railway stations, and does not therefore form a specific part of the contributions structure. However, it may be that significant developments adjacent to stations could contribute to the accessibility and appearance of stations and their approaches, and the City Council will consider such applications on their merits.

### **Approach to Contributions**

Where planning applications are received for new developments which will increase the need for and/or benefit from the transport actions proposed for the urban areas of Canterbury, Herne Bay and Whitstable developers will be expected to contribute towards the funding of those actions either by way of a tariff quantified and justified in Local Plan Supplementary Planning Guidance or by way of a negotiated contribution contained within a legally binding agreement or undertaking. Similarly, such developments in rural areas will contribute towards village traffic plans and/or other actions contained within this (and subsequent reviews of this) Action Plan.

In particular, residential, retail, business, education and healthcare are land uses which will inevitably have an impact upon transport and will therefore be expected to contribute towards the implementation of the Action Plan.

Willingness to contribute towards transport actions will not remove the need for impact assessments and travel plans to be prepared.

It is the City Council's intention to apply the transport contribution requirement will be applied to all sites, regardless of size or ownership.

**Proposed Development to 2011**

There is a high level of uncertainty about the timing of development proposals and, therefore, on likely income to fund infrastructure improvements. Similarly, a number of the identified key strategic transport schemes are likely to be implemented towards the end of the plan period or within the subsequent plan period.

<b>Anticipated development in Canterbury</b>	
Housing	3,000 units
Employment	186,000 sq m
Education	86,000 sq m
Transport infrastructure funding required: approx. £7.5m	
<b>Proposed tariff</b>	
Residential	£1,000 per one-bed unit; an additional £200 per additional bedroom
Employment	£20 per sq m
Education	£10 per sq m

<b>Anticipated development in Coastal Towns and rural areas</b>	
Housing	1,500 units
Employment	103,000 sq m
Education	50,000 sq m
Transport infrastructure funding required: approx. £1m+	
<b>Proposed tariff</b>	
Residential	£400 per one-bed unit; an additional £60 per additional bedroom
Employment	£10 per sq m
Education	£5 per sq m

**Integrated Transport Programme for Canterbury District (Strategic Schemes)**

							<b>Sum required from S106</b>
1.	A2 Junctions Improvements	Canterbury	Provide new slip roads to give all movement capability at junctions at Harbledown, Wincheap and Bridge.	£15m	£9m	HA £2m LTP £1.5m	£5.5m
2.	Wincheap Traffic Management	Canterbury	Wincheap relief road and new link	£1,000,000	£1,000,000	LTP £200,000 KCC £300,000	£500,000
3.	A28 Corridor Improvements	Canterbury	Install Urban Traffic Management Systems	£400,000	£400,000	LTP £400,000	nil
4.	Park & Ride at Coastal Towns	Herne Bay & Whitstable	Park & Ride	£30,000	£30,000	LTP £30,000	nil

							Sum required from S106
5.	Support Public Transport	District Wide	Quality Bus Partnership with Stagecoach and KCC. Provide infrastructure improvements	£1,000,000	£1.1m	LTP £800,000	nil
6.	4 <sup>th</sup> Park and Ride	District Wide	New site to serve N and W approach	£3m	£3m	LTP £1,000,000 CCC £500,000	£1.5m
7.	Extend Sturry Road Park & Ride	District Wide	Park & Ride	£1,000,000	nil	nil	nil
8.	Travelwise and support of travel plans/ safer routes to school measures	District Wide	Public Awareness Campaign Support schemes as identified by schools in their Travel Plans	£30,000 pa	£30,000pa	LTP £20,000pa CCC £10,000pa	nil

							Sum required from S106
9.	Walking and cycling measures	District Wide	Various schemes to encourage walking and cycling	£1,800,000	£900,000	LTP £500,000 CCC £100,000	£300,000
10.	Local Traffic Safety Improvements	District Wide	Various schemes to improve safety, particularly near schools	£700,000	£700,000	LTP £500,000	£200,000
11.	Village Traffic Plan Schemes	Rural Areas	Continue to implement village traffic plans in partnership with Parish Councils	£30,000pa	£30,000 pa	LTP £30,000pa	nil
TOTAL							£8.0

**Notes:**

Item 1 – there is a long lead-in time for major highway projects involving trunk roads, so expenditure is more likely towards the end of the LTP and Local Plan periods and beyond 2011. No commitment has been received from the HA, at this stage, of financial support for this scheme.

Item 2 – the cost shown does not include a new link from the Wincheap Estate to the ring road. A requirement for such a link would need to be funded direct as part of the development proposals of the estate.

Item 6 – the cost shown is based on the estimate for the Hall Place site. Alternative sites are likely to require additional expenditure.

Item 7 – a review of the Canterbury Parking Strategy may highlight the need for greater capacity at existing park and ride sites to be provided within the plan period.

Village by-passes have not been included in the list of strategic schemes and no funding has been earmarked in the Local Transport Plan. In the event of a major development scheme requiring a by-pass, the road improvement scheme would have to be fully funded by that development.

## **Appendix 4**

### *Canterbury City Council's Open Space Standards (SPD)*

Open space standards to be used to calculate open space requirements/developer contributions in relation to new developments

### **AIM**

To give clear guidance about the contributions developers will have to make.

Developers will be required to contribute to open space in two ways:

1. Through the provision of new space as part of the development.
2. Contribution to enhance exiting open spaces (local to the site and strategic to the district)

The City Council's approach to open space provision is set out in three inter-related strategies: Playing Pitch Strategy, Open Space Strategy and Play Strategy.

Open Space provision is based on the typologies identified in PPG17 and used within the City Council Open Spaces strategy. The City Council will expect developers to contribute to provision, management and the enhancement of parks, green corridors, sports pitches, play areas and informal greenspace. Parks, multi-use Sports Fields and green corridors are of more than neighbourhood significance and developers will be expected to contribute to their enhancement and management even if they are not within the development. Table 1 and the diagram below are used to illustrate how the community's needs for Open Space are catered for at the local and strategy level.

**POS – HIERARCHY OF PROVISION**

*Level of Provision*

*Relaxation/Play*

*Sport*

**Strategic Level**

<b><i>Park, Green Corridor</i></b>	<b><i>Multi-Use Sports Field/Recreational Ground</i></b>
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**Local Level**

<b>Semi-natural Areas</b>	<b>Green Corridors</b>	<b>Amenity Greenspace</b>	<b>Children's Play</b>	<b><i>Sport</i></b>
Woodland, Copse/scrub, Wildflower Meadow Landscaping (buffer to equipped play area), Wildflower Meadow, Pond/Water Balancing area, etc	River Walks, Foot/Cycle path	Informal POS (Child-led Play), Kick- about Area Formal Gardens	Equipped Play Area NEAP/LEAP	Ball court/MUGA, Skate Park Sports Pitch/ Tennis Courts, etc

## *PROVISION OF OPEN SPACE*

The need for the developer to provide new open space, as part of the development will be related to:

- i. The design of the development. In certain locations it may be inappropriate to provide on site open space provision; for example, on some brown field sites where urban design considerations require a high density of housing. Where it is inappropriate to provide open space within the development the developer will be required to make a financial contribution for 'off-site' provision in accordance with the rates shown in Table 2.
  - ii. The size of the development. A banding system based on the number of dwellings provided will determine the type and nature of the open space required. Table 3 Indicates how the banding system works.
1. The standards that have been set to determine the quantity and costs (capital and revenue) of open space provision in new developments

### **Five categories of open space apply:**

The City Council's open space requirements

	<i>Local Plan Standard</i>
	0.3 Hectares per 1000 people (3m <sup>2</sup> / person)
	0.87 Hectares per 1000 people (9m <sup>2</sup> / person)
	1.3 – 1.7 Hectares per 1000 people (13 – 17m <sup>2</sup> / person)
	0.3 Hectares per 1000 people (3m <sup>2</sup> / person)
	4.0 Hectares per 1000 people (40m <sup>2</sup> /person)

**Table 1.**

## **2. When the standards should be applied**

- All new residential development and conversions
- Children’s play area standard will not be required in relation to retirement and non-family student housing

## **3. How the standard should be applied**

- Amount of land required to meet the standard is calculated for each type of open space
- This will be done by calculating the number of new residents accruing from the development using the number of bedrooms in each unit
- Number of people is taken to be the same as the number of bedrooms, except for one bedroom units which will be assumed to have 1.5 people
- In relation to student housing the number of students to be accommodated will be used
- To calculate the open space required, multiply the number of people accruing from the development by the open space required given in table 1

- Provision will be on-site or off-site enhancement (capital sum) or a combination of the two

**4. Calculation of Commuted Sum (Maintenance of open space provided on site) where the land is to be adopted by the Council**

Arrangements will need to be made for the maintenance and management of any public open space provided. This will normally involve the payment of a commuted sum to the City Council. This will involve a site-specific calculation of the annual maintenance costs over a 20 year period taking into account all the various components that make up the open space.

**5. Calculation of the Capital (off-site) sum**

The sum calculated for each type of open space where full provision is not made on site. See Table 2. Sums will be based on the estimated cost of creating the Open Space (including land purchase and subsequent maintenance costs over a 20 year period). A detailed breakdown of how these figures are arrived at is available separately and can be supplied on request.

					<b>Semi-natural Area</b>
					£3.44
					40m <sup>2</sup> X £3.44= <b>£137.6</b>
					1600m <sup>2</sup> x £3.44= <b>£5504</b>

**Table 2. Calculation of Capital (off-site) sum**

(NB. These figures are based on 2005 prices. They will be updated annually in line with the retail prices index to take account of inflation)

							<b>Semi-natural Area</b>
20	2 bed-room	20 x 2 = 40	40 x 3 = 120m <sup>2</sup>	40 x 9 = 360m <sup>2</sup>	40 x 15 = 600m <sup>2</sup>	40 x 3 = 120m <sup>2</sup>	40 x 40 = 1600m <sup>2</sup>

**Table 3: Calculation of quantity of open space**

## 6. Administering the System

- On-site provision of Open Space: Commuted sum to be paid to the City Council upon formal land adoption by the authority
- Off-site provision: Capital sums will be spent on open space improvements identified by the Council. A central fund will be set up to allow monies to accumulate from more than one scheme in order to enable strategically important improvement projects to be carried out. Improvements to Open Space shall include; the creation of new areas, where there is a deficiency; raising existing standards and 'adding value' to an area in term of leisure experience
- In addition to the commuted sum, applicants will be expected to pay legal costs involved in the planning obligation
- Developers are directed towards guidance provided in Appendix 'A' (Cost breakdown sheets) when attempting to assess the value of Commuted Sums. *This information is for guidance only*, the actual Commuted Sum will be calculated by the Council once the extent and nature of the on-site Open

Space is known. Notwithstanding, this information will enable developers to estimate the value of the commuted sum and build this figure into the project development costs at the earliest possible stage

- The following three-step calculation is required for each new development:
  1. The total quantity of open space required for each of the five types of open space
  2. The quantity of each type to be provided on-site. N.B. Minimum standards in terms of size and layout of open space shall be followed by reference to the Council's Design Guide. Where a development is too small to provide the minimum standard, the Developer shall be expected to provide a financial contribution in lieu of the open space not being provided
  3. The Capital Sum to be paid for 'off site' improvements to open space provision, which shall be equivalent to the open space that should have been provided on site, were it possible to meet the minimum standards required. This Capital Sum will be used by the Council to carry out improvements in Open Space provision at both local and strategic level

## **7. Maintenance of Open Space by Management Company**

If the developer is contemplating using a private management company to maintain any Open Space provided with the development, the following conditions shall apply:

The name and business address of the management company shall be supplied to the Council

The Open Space shall be maintained to an agreed standard as approved by the Council

The Council shall be provided with detailed site plans, relevant maintenance schedules and a copy of the management contract

The developer shall provide a Performance Bond, equivalent to the value of the Commuted Sum as calculated by the Council, which shall be called on and used by the

Council in the event that the developer and/or Management Company fails to maintain the Open Space to the agreed standards

8. Working Example: Calculation of Public Open Space required on site and/or Capital off-site financial contribution

						<b>Total</b>
						68 sq mtrs
						<b>£1,985.47</b>
						<b>£2,647.28</b>
						<b>£3,970.92</b>
						<b>£5,294.56</b>
						<b>£6,618.20</b>
						<b>£52,945.60</b>

Table 4. Working Example

## **Appendix 5**

### **Other Community Benefits**

In appropriate circumstances, after considering funding for the four key areas identified above, additional or alternative funding will be sought for necessary community benefits.

Examples include:

- Projects and objectives identified in the Local Plan (see para 1.4 above)
- Public realm initiatives  
(eg for example environmental improvements in Canterbury High Street and Herne Bay shopping area, environmental and access improvements in Whitstable, public art et cetera).
- Flood defence schemes
- Sewerage infrastructure
- Museums & Galleries

In some circumstances it may be appropriate for the City Council to seek contributions towards community services provided by the County Council. In such cases the following factors will apply:

#### Methodology

The following outlines the general approach to development contributions for Community Services. The contributions will be used flexibly to make provision locally (within or near to new developments), and/or as part of larger town centre facilities. The exact nature of new facilities will be subject to consultation with local people and the prevailing local

circumstances. The opportunity to take advantage of multi-use design will be closely examined and followed whenever practicable.

## **Arts & Libraries**

1. The methodology is district based and takes into account:

- All planning applications will be considered but generally, and subject to locational and cumulative factors, contributions will be sought from schemes for 10 or more units.
- Inclusion of other known planning applications in the District.
- Current capacity and future requirements across the whole of the District.
- The Kent standard for a new stand-alone library is that it should serve a distinct community of at least 5,000 people.
- The cost of land has not been included although on larger developments (usually 300+ units) a new site/premises may also be required.

2. The detailed calculation uses the following factors:

- A service requirement of 30m<sup>2</sup> of public library space per 1,000 population, based upon the draft National Library Standard, including circulation and non-public areas.
- Parking space will be required on a per m<sup>2</sup> basis (currently subject to review).
- Building costs are based upon the RICS BCIS Tender Price Index and new build prices.
- Furniture and fittings, based upon current fitting out costs of new provision in Kent.
- New book stock based upon National Library Standard 17 - 216 items of book stock per 1,000 population, with the average price of new books taken from the Holt Jackson review of new book prices paid by Public Libraries.

RATE PER DWELLING

(subject to surplus/deficit)      **£149.50**

3. Current surplus or deficit of capacity:

- Where the surplus of capacity is greater than the additional new requirement, then no development contribution is sought.
- If surplus capacity is less than the additional new requirement, then contributions will be sought on the net deficit.
- Where a deficit of current capacity exists, contributions will be sought for the full additional new requirement.

These figures are indicative and subject to variation based on the circumstances of each individual case.

## **Adult Education**

1. The methodology is district based and takes into account:

- All planning applications will be considered but generally, and subject to locational and cumulative factors, contributions will be sought from schemes for 10 or more units.
- Inclusion of other known residential planning applications in the District.
- Current capacity and future requirements will be assessed across the whole of the District, based on KCC full time adult education facilities.
- The cost of land has not been included although on larger developments (usually 300+ units) a new site/premises may also be required.

2. The detailed calculation uses the following factors:

- The number of enrolments in the full time facilities within the District, converted to full time equivalent students.
- A requirement for 70 m<sup>2</sup> for 30 full time students, based on the DfES standard for a general teaching classroom and circulation and non-public areas.

- The adult population participation rate in adult education for Kent.
- Parking space will be required on a per staff/student basis (currently subject to review).
- Building costs are based upon the RICS BCIS Tender Price Index and new build prices.
- Furniture and fittings, based upon current fitting out costs of new provision in Kent.

#### RATE PER DWELLING

(subject to surplus/deficit) **£125.50**

#### 3. Current surplus or deficit of capacity:

- Where surplus capacity exists and that is more than the additional new requirement, then no development contribution is sought.
- If surplus capacity is less than the additional new requirement, then contributions will be sought on the net deficit.
- Where a deficit of current capacity exists, contributions will be sought for the full additional new requirement.

These figures are indicative and subject to variation based on the circumstances of each individual case.

### **Youth & Community**

#### 1. The methodology takes into account:

- All planning applications will be considered but generally, and subject to locational and cumulative factors, contributions will be sought from schemes for 10 or more units.
- Inclusion of other known planning applications in the vicinity.

- Current capacity and future requirements will be assessed within a 3-mile radius of the proposed development site.
- The cost of land has not been included although on larger developments (usually 300+ units) a new site/premises may also be required.

2. The detailed calculation uses the following factors:

- The current average level of attendance per session within the 3 mile radius.
- Standard floor area of 260 m<sup>2</sup> for 35 young people attendees, including circulation and back office areas.
- Young Person Contact Ratio (YPCR) for the 13-19 age group.
- Young Person Product Ratio (YPPR), equal to the Pupil Product Ratio for secondary schools.
- Parking space will be required on a per m<sup>2</sup> basis (currently subject to review).
- Building costs are based upon the RICS BCIS Tender Price Index and new build prices.
- Furniture and fittings, based upon current fitting out costs of new provision in Kent.

RATE PER DWELLING

(subject to surplus/deficit) **£ 498.00**

3. Current surplus or deficit of capacity:

- Where surplus capacity exists and that is more than the additional new requirement, then no development contribution is sought.
- If surplus capacity is less than the additional new requirement, then contributions will be sought on the net deficit.
- Where a deficit of current capacity exists, contributions will be sought for the full additional new requirement.

These figures are indicative and subject to variation based on the circumstances of each individual case.

### **Public Art Commissioning**

Canterbury City Council has recently adopted a Public Art Policy which sets out how the Council will deal with public art commissioning within new developments and also in Council-led projects.

The Council expects all appropriate major developments (as defined through the classification of planning applications) to incorporate public art commissioning. Appropriate developments are those which include some public space and public access. (A dense industrial factory site for example may not be appropriate)

The Council expects developers to consider public art commissioning during discussions held with Council Planners in advance of submitting planning applications. All major applications received will be scrutinised for the appropriateness and possibility of public art commissioning, and where it is absent, Council Planning Officers will discuss and negotiate for its inclusion.

In most cases, delivery of a public art commission will be ensured through Planning Conditions.

The Council expects developers to observe good practice in commissioning artists and for the work commissioned to be site-specific, relevant to its location.

The Council will expect all commissioned work to have a decommissioning agreement and a maintenance plan and agreement in place – this requirement may also form part of a Planning Condition.

In general, the Council will encourage innovation in public art commissioning and collaboration between artists and design teams wherever possible. The earlier an artist is brought in, the better.

The Council does not have a requirement of “per cent for art”; a policy often used which demands that 1% of the construction budget is spent on commissioning artists. However, this figure might be a useful guide to developers in thinking about the costs of commissions. In the largest developments, Planning Conditions may stipulate a minimum sum to be spent on artist commissioning.

There are external funding sources, particularly in the arts sector, which may assist with the costs of commissioning public art. Developers may be able to apply for grant aid, although note that all funding bodies have their own conditions, aims and objectives. Details can be obtained from the Council or the Arts Council of England regional office (see lists of contacts at the end of this guidance note).

How Should I go about it?

Planning for artist involvement should be started as early in the development process as possible. This ensures that the costs associated with commissioning can be built into the process.

Appropriate Information should be submitted at each stage of the planning process:

- Outline Planning Permission should include an outline plan for involving artists including a summary of methods of selection/appointment, a budget allocation and maintenance plans.
- Full Planning Permission (or Reserved Matters) should include a full description of the commissioning process, detailed proposals for involving artists, or designs from artists if already progressed, budget and maintenance details.
- Note that a freestanding commission may require separate planning permission – this must be discussed in advance with Planning Officers.

Please note a separate leaflet, with more detailed information on public art commissioning, along with examples of recent work in the Canterbury District, is available from the City Council and on the Council's website ([www.canterbury.gov.uk](http://www.canterbury.gov.uk)).