

## Appendix A: Proposed Revisions to the Planning Obligations: Supplementary Planning Document 2017

Proposed Revision	Justification	Likely Impact																																																			
<p><b>1) A more defined and tailored approach to the charging of monitoring fees for s106 obligations.</b></p> <p>Section 4.14 (page 17) sets out that the District Council will no longer apply a standard charge for monitoring s106 obligations and that an assessment will be made in each case to establish whether a fixed negotiated monitoring administrative fee will be applied.</p> <p>To enable robust, consistent and transparent monitoring fees to be calculated it is proposed that <b>a standard hourly rate of £41.62 is inserted into this section</b> (which may be adjusted annually). This includes on-costs and an allowance for non productive costs &amp; overheads etc.</p> <p>The Officers involved in monitoring each type of obligation which may be included in a s106 agreement, e.g. Affordable Housing, Community Facilities, Public Open Space are developing method statements on the average amount of time spent monitoring various sized developments as an aide memoire when proposing monitoring fees.</p>	<p>All obligations require a level of resource to monitor them. Ultimately the main objective is to ensure compliance by all parties involved in the successful completion of all Section 106 Agreements.</p> <p>Rather than a standard monitoring fee it is proposed that the fee should be based on the time spent on each type of obligation, be it either a financial contribution monitor (simply a sum of monies) or a physical monitor (e.g. a site visit, review of technical details, or negotiation).</p> <p>The hourly rate proposed is based upon the type of work involved in the process of monitoring the agreement.</p> <p>For example the Officer responsible for Community Facilities is likely to spend around 4 hours monitoring smaller developments up to 100 houses as obligations will usually take the form of a commuted sum, payable on certain trigger points. However for larger developments which have on-site provision of community facilities a higher level of monitoring (c12 hours) may be required including site visits and technical monitoring.</p> <p>Monitoring fees are charged in addition to the Councils standard legal fee to set up each s106 Agreements, which is currently £975.</p>	<p>The financial impact on developers will vary. The proposal may lead to an increase in monitoring fees in some cases but a decrease in others. This would be due to monitoring requirements varying according to the s106 concerned.</p> <p>For illustration here is an example monitoring fee under the proposed revision.</p> <table border="1" data-bbox="1464 584 2139 1485"> <tbody> <tr> <td>Number of units</td> <td style="text-align: right;">201</td> <td></td> </tr> <tr> <td>Planning Obligations</td> <td></td> <td style="text-align: right;">£</td> </tr> <tr> <td>Community Facilities</td> <td style="text-align: right;">250</td> <td></td> </tr> <tr> <td>Public Open Space/Off Site Recreation:</td> <td></td> <td></td> </tr> <tr> <td>1. Parks &amp; Gardens</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td>2. Amenity Greenspace</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td>3. Natural &amp; Semi Natural Greenspace</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td>4. Children &amp; Young people</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td>5. Outdoor Sports Facilities</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td>6. Allotments</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td>7. Cemeteries &amp; Burial Grounds</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td>8. Greenways</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td>Affordable Housing</td> <td style="text-align: right;">416</td> <td></td> </tr> <tr> <td>Off Site Affordable Housing</td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Police</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td>NHS</td> <td style="text-align: right;">166</td> <td></td> </tr> <tr> <td><b>Total Monitoring Fee (rounded)</b></td> <td></td> <td style="text-align: right;"><b>£2,331</b></td> </tr> </tbody> </table>	Number of units	201		Planning Obligations		£	Community Facilities	250		Public Open Space/Off Site Recreation:			1. Parks & Gardens	166		2. Amenity Greenspace	166		3. Natural & Semi Natural Greenspace	166		4. Children & Young people	166		5. Outdoor Sports Facilities	166		6. Allotments	166		7. Cemeteries & Burial Grounds	166		8. Greenways	166		Affordable Housing	416		Off Site Affordable Housing		-	Police	166		NHS	166		<b>Total Monitoring Fee (rounded)</b>		<b>£2,331</b>
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<p><b>2. Change wording to say that the Council may request that a bond is obtained to mitigate the risk of defaults on the fulfilment of planning obligations (and payments in the case of commuted sums) based on the merits of each individual case.</b></p> <p>Section 4.15 (page 17) says that <i>the Council will request that a bond...</i></p>	<p>To clarify wording.</p>	<p>None</p>
<p><b>3. A more defined approach to commuted sum calculation to guide developers on the potential for off-site affordable housing contributions.</b></p> <p>Section 5.29 (page 23) sets out that <i>if a commuted sum payment is accepted, the value will be based on the cost to the developer of meeting the affordable homes requirement.</i></p> <p>To bring greater clarity it is proposed to <b>insert the calculation used by the Council</b> in such circumstances. This is that a commuted sum should represent 50% of the Open Market Value (OMV) of the total affordable housing units sought on the development.</p>	<p>To clarify wording.</p>	<p>This insertion should help developers plan for commuted sums where this is permitted as an alternative to the expected on-site provision of affordable housing.</p> <p>For illustration on a development of 20 dwellings the Councils policy requires that 40% (8 units) are affordable.</p> <p>The types of units sought will depend on local housing needs but as an example may consist of;</p> <ul style="list-style-type: none"> <li>2 X 1 bed units with an OMV of £100,000</li> <li>3 X 2 bed units with an OMV of £140,000</li> <li>3 X 3 bed units with an OMV of £180,000</li> </ul> <p>The total OMV of the above units is £1.6million. Therefore the commuted sum would be £800,000 (50% of the OMV).</p>

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<p><b>4. To clarify and update guidance on obligations for Community Facilities following the Assessment of Community Infrastructure carried out in 2017.</b></p> <p>Section 6 (p.24-26) sets out <i>the Councils approach to securing planning obligations for community facilities.</i></p> <p>In 2016 the Council commissioned an updated Assessment of Community Infrastructure which was completed in 2017. This included an <b>updated charging policy for s106 obligations for Community Facilities.</b> It is proposed that the new method supersedes the existing approach to and that the wording in s6 is updated to reflect this.</p> <p>Wording should also confirm that following a change to Government planning policy as expressed in National Planning Policy Framework (May 2016) which seeks to incentivise smaller housing developments, infrastructure contributions (which include community facilities) is no longer requested where development involves less than 11 dwellings and which have a maximum combined gross floor space of no more than 1000 square metres.</p> <p>Rather than including detail in the SPD it is proposed that a hyperlink is inserted and that the 2017 Assessment is uploaded on the Councils website for anyone to view.</p>	<p>It is important that the supplementary planning document is updated to reflect the latest legislation, policy and evidence.</p> <p>The current policy requires a standard £735 per unit to be paid towards community facilities.</p> <p>Obligations for community facilities under the proposed revised approach will be much more specific to the development and determined by;</p> <ul style="list-style-type: none"> <li>• The estimated population of the new development (based on house types)</li> <li>• Sport England standards</li> <li>• RICS build cost estimates</li> <li>• The availability of existing facilities.</li> </ul> <p>Including a summary of the revised approach for s106 community facilities in the SPD with a hyperlink to a more detailed document is consistent with the approach for other obligations, such as the Provision for Open Space, Sport and Recreation.</p>	<p>It is likely that this revision will increase the amount of planning obligations sought for community facilities. However, this is dependent on evidence of need for new facilities i.e. that existing community halls are at capacity.</p> <p>For illustration the method for calculating obligations for a 20 unit development of 3 bed houses (in an area where existing facilities are at capacity) is as follows.</p> <ul style="list-style-type: none"> <li>• The occupancy of a 3 bed house is estimated at 2.3 residents.</li> <li>• Sport England standards for community space are 0.3sqm per person.</li> <li>• The BCIS cost of community centres per m2 for Q3 2016 (including the Harborough locational adjustment) results in a general community centre build cost of £1,716 per sq.m</li> <li>• So <math>2.3 \times 0.3 \times 1,716 = \text{£}1,185</math> per 3 bed unit <math>\times 20 =</math> community facility contribution of <math>\text{£}23,680</math>.</li> </ul> <p>For comparison under the existing approach the contribution would be <math>\text{£}735 \times 20 = \text{£}14,700</math>.</p>
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