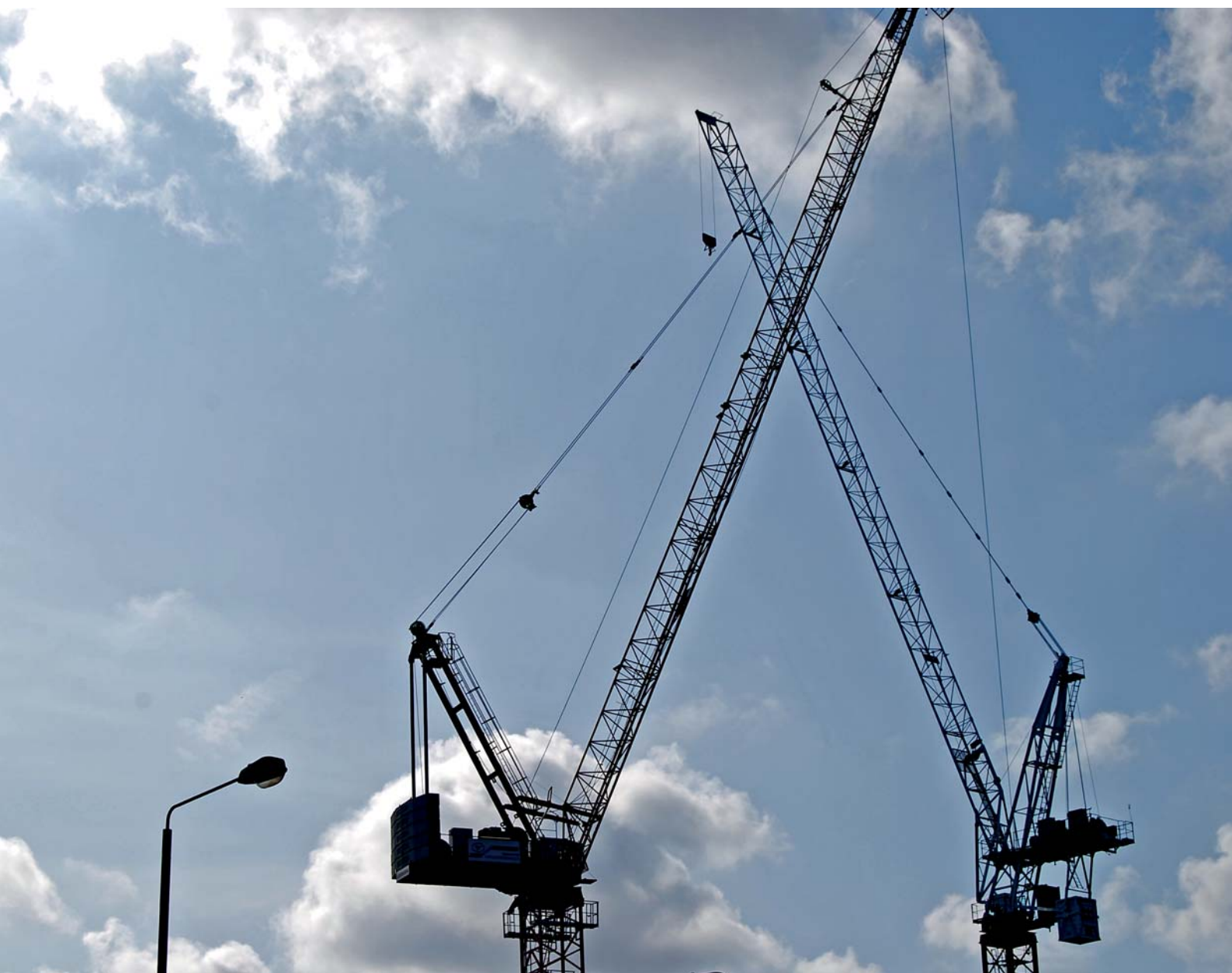


Camden Planning Guidance

# Planning obligations

London Borough of Camden

CPG **8**



July 2015



## CPG8 Planning obligations

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## 1 Introduction

### What is Camden Planning Guidance?

- 1.1 We have prepared this Camden Planning Guidance to support the policies in our Local Plan documents. This guidance is therefore consistent with our adopted Core Strategy and Development Policies, and forms a Supplementary Planning Document (SPD) which is an additional material consideration in planning decisions.
- 1.2 The Council adopted CPG8 Planning obligations on 7 September 2011 following statutory consultation. This document has been subject to two updates:
- Updated 25 February 2015 to take into account Camden's Community Infrastructure Levy (CIL) Charging Schedule following independent examination. Camden's CIL charging schedule came into effect on 1 April 2015.
  - Updated 17 July 2015 to include revised guidance for employment and business support.

Details on these updates and the consultation process are available at [camden.gov.uk/cpg](http://camden.gov.uk/cpg).

### What does this guidance cover?

- 1.3 The purpose of this guidance is to provide an indication of what may be required when the Council considers that a development proposal needs a planning obligation to be secured through a legal agreement. Planning obligations can be used positively and to address some of the negative impacts of development which would otherwise make a development unacceptable. This guidance also sets out how planning obligations will be operated alongside the Community Infrastructure Levy.

### When will it apply?

- 1.4 This guidance applies to all development where proposals are likely to be subject to planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended). In dealing with planning applications, local planning authorities consider each proposal on its merits and reach a decision based on whether the application accords with the development plan, unless material considerations indicate otherwise. Where applications do not meet these requirements, they may be refused.
- 1.5 In some instances, however, it may be possible to make development proposals which might otherwise be unacceptable, acceptable through the use of planning conditions or, where this is not possible, through planning obligations. Where there is a choice between imposing conditions or entering into a planning obligation a condition will be used.

- 1.6 The use of planning obligations is an important tool in managing the impacts of development and assisting the delivery of necessary infrastructure to support the London Plan and Camden's Local Plan documents. They will be used to ensure that the strategic objectives of the Core Strategy and Development Policies are met through requirements attached to individual development proposals.
- 1.7 The use of planning obligations is specifically required through policy CS19- Delivering and monitoring the Core Strategy although other Development Policies may be used to justify an obligation, particularly those relating to affordable housing, sustainability and transport. Further site specific requirements are set out in our adopted Site Allocations DPD. This guidance is intended to provide general advice on how planning obligations operate. Large scale developments generally have more significant and complex obligations attached to them, but obligations may also be applied to small scale developments to achieve measures such as car free housing or to manage the impacts of construction.

## 2 Background

### Infrastructure to support new growth

- 2.1 In order to deliver growth and ensure development is implemented in a sustainable way it is essential that the necessary infrastructure is in place to support and enhance this development. This applies both to the direct infrastructure needs of development sites such as highway works and landscaping, but also the cumulative impacts of additional development on infrastructure such as schools, transportation, open spaces and community facilities.

### National planning context

- 2.2 The legislative framework for planning obligations is set out in Section 106 of the Town & Country Planning Act 1990 (as amended).
- 2.3 Further legislation is set out in Regulations 122 and 123 of the Community Infrastructure Levy (CIL) Regulations 2010 (as amended). Government policy on planning obligations is set out in Paragraphs 203 to 205 of the National Planning Policy Framework (NPPF) (March 2012).
- 2.4 Regulation 122 and Paragraph 204 of the NPPF set out the following tests that must be satisfied in order for obligations to be used to allow planning permission to be granted for development proposals:
- the obligation must be necessary to make the development acceptable in planning terms;
  - the obligation must be directly related to the development;
  - the obligation must be fairly and reasonably related in scale and kind to the development.

### The Community Infrastructure Levy

- 2.5 The Community Infrastructure Levy (CIL) is a charge which local authorities will be able to collect on new developments in their area. It is based on a formula relating to the type and size of development and is collected when planning permissions for new developments are implemented. The 2008 Planning Act introduced the power to allow a levy to be charged on property developers to raise funds for infrastructure. For the purposes of the Act infrastructure includes: roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities and open spaces. The CIL will generate funding to deliver infrastructure projects that support residential and economic growth, provide certainty for future development, and benefit local communities.
- 2.6 Camden commissioned an Infrastructure study to be carried out by URS planning consultants in 2012. This sets out most of the infrastructure which will be needed to support new growth in Camden.

- 2.7 The study looked at the whole range of infrastructure which may be needed under the general headings of social infrastructure (including education, health, sports/leisure, open spaces, libraries, employment training and community facilities), utilities (water energy, telecommunications, sewerage flood risk, policing ambulance and fire services) and transport (roads, public realm, walking/cycling provision and public transport). Taking into account other funding sources a funding gap of at least £280 million was identified until 2026. This included £55-60M for schools, £22M for community facilities, £60M for health, and £140M for transport. This study was used to as part of the evidence to justify introducing a CIL in Camden. An update to the Infrastructure study has been carried out which was published in February 2015.
- 2.8 The CIL regulations also scale back the scope of section 106 legal agreements so that financial contributions from only 5 obligations entered into after April 2010 can be pooled for the same type of infrastructure or project. This restriction will apply from 1 April 2015 when Camden introduces its CIL charging schedule. Affordable housing contributions are not affected by these changes, but some forms of contributions for local infrastructure such as school places or open space may in future be funded through the CIL.

#### **Development Plan policies supporting planning obligations**

- 2.9 The content and nature of any legal agreements in Camden needs to be considered having regard to the London Plan and Camden's Core Strategy and Development Policies. London Plan Policy 8.2 (Planning Obligations) states:
- '...C. Development proposals should address strategic as well as local priorities in planning obligations.
- D. Affordable housing; supporting the funding of Crossrail (see Policy 6.5) where this is appropriate; and other public transport improvements should be given the highest importance. Where it is appropriate to seek a Crossrail contribution in accordance with Policy 6.5 (of the London Plan), this should generally be given higher priority than other public transport improvements.
- E. Importance should also be given to tackling climate change, learning and skills, health facilities and services, childcare provisions and the provision of small shops....'
- 2.10 The use of planning obligations has an important role to play in meeting the strategic objectives of the Council's Core Strategy and in particular ensuring that the infrastructure is provided to support new growth, meet Camden's needs for new homes jobs and facilities, and to provide an attractive and sustainable environment as in policy CS19 – Delivering and monitoring the Core Strategy.
- 2.11 This states the Council will:



- work with relevant providers to ensure that necessary infrastructure is secured to support Camden's growth and provide the facilities needed for the borough's communities. Information on the key infrastructure programmes and projects in the borough to 2025 are set in Appendix 1;
- use planning obligations, and other suitable mechanisms, where appropriate, to:
  - support sustainable development,
  - secure any necessary and related infrastructure, facilities and services to meet needs generated by development, and
  - mitigate the impact of development ...'

### **Use of planning obligations**

- 2.12 Camden will still use planning obligations where appropriate to mitigate the negative impacts of development which would otherwise not be acceptable through:
- Restricting the development or use of the land in any specified way;
  - Requiring specified operations or activities to be carried out in, on, under or over the land;
  - Requiring the land to be used in any specified way; or
  - Requiring a sum or sums to be paid to the authority on a specified date or dates periodically.
- 2.13 Unless it is stated otherwise, planning obligations run with the land in perpetuity and may be enforced against the original covenantor, and anyone else that acquires an interest in the land, until such time as they are discharged or otherwise modified. A planning obligation must be by a deed and is registered as a local land charge and can only be secured through the following ways:
- Bi-lateral Section 106 agreements between local planning authorities, persons with a legal interest in a piece of land and any other interested parties
  - Unilateral planning obligations, sometimes call "unilateral undertakings" (UUs) signed solely by parties with a legal interest in the land or other interested parties. These are used when only the owner/ mortgagee/ developer (and not the Council) are to be bound by the agreement.
- 2.14 As proposals differ in terms of scale, nature, location and impacts the relative priorities of obligation types will differ on a case-by-case basis. What may be required will be established through the key policies and associated planning guidelines. When assessing the scope of planning obligations the Council will also take into account the range of other benefits provided by a particular development and financial viability issues.

- 2.15 In some cases developers may wish to argue as a background consideration that the economic viability of their development may be compromised by the range and/or scale of any CIL and the obligations being sought. The Council will expect developers to co-operate on an “open book” basis to provide information to demonstrate these circumstances. Developers should always make themselves aware of the Council’s policies at early stage, so that the policy requirements and potential costs of a CIL and obligations are fully factored into any land purchase or development decisions.
- 2.16 Housing is the identified priority land use of the Core Strategy and the delivery of affordable housing will be a high priority in terms of planning obligations. This also accords with the London Plan. The local impacts of individual and cumulative schemes on the local environment and local community infrastructure, and how they are designed and integrated physically and socially with existing neighbourhoods are also very important issues.
- 2.17 Where the impacts of a use and/or a design go beyond the immediate boundary of the site then these will need to be addressed and this may be through the use of planning obligations. The Council encourages developers to initiate and carry out local consultation where appropriate and take into account local issues in drawing up their detailed proposals. The use of forums such as the Development Management Forum can also be useful in presenting potential schemes and identifying local issues. Design and Access Statements will be useful tools for developers to assess how their development integrates with local areas in terms of local streets, public spaces and local facilities.

### **Interaction between CIL and planning obligations**

- 2.18 Many planning obligations will be non-financial. However, Regulation 123 of the CIL Regulations indicates that in the future planning obligations cannot be sought to secure infrastructure projects or types of infrastructure that will be wholly or partly funded by the CIL.
- 2.19 The Council will publish a ‘Regulation 123’ list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL. When the Camden CIL Charging Schedule and the Regulation 123 list are adopted by the Council, funding for the specific types of infrastructure or projects on the list cannot therefore be sought through section 106 planning obligations.
- 2.20 The provision of affordable housing currently lies outside of the remit of CIL and will continue to be secured through planning obligations. Planning obligations will also continue to be used for local infrastructure requirements directly related to development sites, such as provision of open space and landscaping on or in the immediate vicinity of a site, habitat protection, and highways works to make development acceptable in planning terms.

- 2.21 The principle is that all eligible developments must pay towards CIL as well as – by way of a s106 Agreement – contributing to the costs of any site specific requirements that are necessary to make the development acceptable in planning terms, while adhering to the provisions of Regulations 122 and 123 of the CIL Regulations 2010.

<b>Mechanism</b>	<b>Details</b>	<b>Use</b>
CIL	A standard charge per square metre of all chargeable development as set out in the Charging schedule.	To secure financial contributions for Borough-wide infrastructure as specified in the Regulation 123 list which will be likely to include generic projects for transport, education open space and community facilities
Planning Obligations	Measures required to mitigate the site-specific impacts of development. These could include non-financial obligations and financial contributions.	Affordable Housing Infrastructure to address the site specific and related impacts of development and which is not included in Regulation 123 list  Non-financial obligations such as management plans, or car-free restrictions.

- 2.22 The CIL regulations allow collecting authorities to accept land in lieu of a CIL payment. It is not envisaged that Camden will make use of this provision. The regulations also permit the provision of infrastructure as payment towards a CIL. Camden intends to use this power only sparingly and in genuinely exceptional cases where it can be demonstrated that the payment will secure the delivery of a transformative strategic infrastructure project e.g. though the unlocking of the development potential of a particular area.

## **General procedures**

### **Pre-application stage**

- 2.23 The Council offers a formal pre-application advice service to assist potential applicants when proposals are being drawn up and applicants should familiarise themselves with adopted policies and this

supplementary guidance. The pre-application service will be useful in identifying areas that may be subject of planning obligations prior to submission of a planning application.

- 2.24 Where formally required, supporting documents such as a Design and Access Statement, an Environmental Statement and a Transport Assessment will be expected to consider the relevant range of impacts of the proposed development and set out measures proposed to deal with them. Indeed on larger development applicants will be expected to provide a statement setting out their planning obligations strategy. It is therefore important that local consultation takes place on larger schemes to identify these local impacts and issues and how they will be addressed.

### **Application stage**

- 2.25 The final content and scope of planning obligations will be negotiated through the planning application process which will be carried out by the Council's Development Management Team. Applicants will be expected to enter into an agreement based on the Council's standard agreement and clauses.
- 2.26 Once an application is identified as potentially requiring one or more planning obligations, the Council's legal team will be instructed to produce an early "without prejudice" draft for discussion. Applicants will be required to provide contact details of their advisors as soon as possible in the application process. The Council's legal team will require a legal undertaking from the applicant's advisors to cover the cost of drafting the legal agreement as well as any relevant disbursements, e.g. Land Registry title information.
- 2.27 The Council will take the implementation costs of any obligations into account and will expect there to be a neutral impact on Council expenditure and resources. Obligations may need to include fees or associated costs for delivery of obligations where such costs fall to the Council.

### **After planning permission has been granted**

- 2.28 When planning permission has been granted and the legal agreement issued, copies of the documentation will be forwarded to the Council's Planning Obligations officers. Officers will maintain a record of the planning obligation requirements and will monitor the implementation of the legal agreements signed by developer. It is important that notices of implementation, any plans, payments or other details required through a legal agreement should be sent to the planning obligations officer in the first instance.

### **Costs and charges relating to planning obligations**

- 2.29 In addition to any related fees or contributions owed under specific obligations such as highways works, as a principle the Council will also seek to recover all of its costs in relation to the preparation , monitoring,

administration and processing of planning obligations and the work arising out of them. These charges fall into two categories

- (i) those relating to work undertaken by legal and other officers in preparing the legal agreement containing the obligations (“Legal and Preparation Charges”) and
- (ii) those relating to work undertaken by officers in processing, monitoring and implementing obligations contained in the Agreement (“Processing and Monitoring Charges”).

Charges will be based on a standard Charging Schedule referencing the number of Heads of Terms in an Agreement and have been agreed by Cabinet under its functions agreeing Council fees and charges.

### **Legal and preparation charges**

- 2.30 To facilitate preparation of consistent agreements standard legal templates can be made available to give an indication of the likely format of an agreement, but the final drafting will be carried out by Camden Legal Services and a charge will be levied. Legal and Preparation Charges are contained in a schedule of fees agreed by the Council's Cabinet on an annual basis and available on the Council's website or from Camden Legal Services upon request. All Legal and Preparation Charges will be payable prior to or at the time that a Section 106 agreement is completed.

### **Processing and monitoring charges**

- 2.31 The processing, monitoring and implementation of planning obligations before and after completion of the Agreement requires the input of significant Council resources. This relates to a range of activities which arise directly from the grant of planning permission for development and are necessary to ensure that details of measures required to mitigate the development impacts are submitted and approved, and the measures are properly carried out.
- 2.32 Costs associated with this work are distinct from any costs associated with processing a planning application and legal fees for preparation of the Agreement, and in many cases will be ongoing after a development has been implemented and would not have arisen were it not for the specific planning impacts of the development and related obligations. Hence it is appropriate that Processing and Monitoring charges relating to such obligations are borne by the developer.
- 2.33 Examples of activities carried out by the Council to facilitate planning obligations are:
- Ensuring the details of all agreements are accurately recorded on a database and Monitoring agreements (including site visits to check for implementation, as necessary);
  - Correspondence associated with requirements and payment of financial contributions (including index linked calculations);

- Receipt and monitoring of financial contributions and reminders/enforcement action taken if appropriate; and ensuring that contributions are spent in accordance with the terms of agreements including any expenditure deadlines:
- Coordinating and assessing discharge of both non-technical and technical plans and strategies (e.g. sustainability and energy efficiency plans)
- The assessment, inspection and supervision of related plans and proposals to manage impacts arising during construction and, where necessary, liaising with developers, contractors and neighbours to put in place additional measures to alleviate local resident concerns.
- The project management and delivery of specific obligations for which contributions have been made in lieu of meeting on-site requirements and require Council resources to implement, such as off-site affordable housing.

- 2.34 Current Processing and Monitoring Charges have been established by taking into account financial and non-financial clauses and reflect the size and potential complexity of the agreement. In respect of significant major schemes and the delivery of certain obligations bespoke charges will be negotiated with reference to the scale and complexity of the agreement, the nature of the obligations and the resources likely to be required.
- 2.35 For Minor schemes the Processing and Monitoring Charge per head of term is currently £531 and for Major Schemes the Processing and Monitoring Charge per head of term is £745. These charges will be subject to review and will increase on an annual basis by up to 3%, to be determined by using the relevant indices published by ONS as part of the annual review of Council fees and charges. Any increases in fees and charges over 5% are subject to Cabinet approval. Like legal fees, Processing and Monitoring charges are payable prior to or upon completion of the Section 106 legal agreement. There may be some limited circumstances where the level of monitoring charge may be reviewed if warranted.
- 2.36 Separate fees in the form of contributions payable through section 106 agreements may be negotiated where warranted and are considered necessary in planning terms and directly related to development where further costs of technical verification, inspection and ongoing supervision are likely to be incurred as a direct result of a particular development. Examples of obligations which may necessitate a contribution for implementation include construction management plans and basement construction plans. Further information on construction management plans is available in CPG6 Amenity and further information on basement construction plans is available in CPG 4 Basements and lightwells.

### **Financial obligations**

- 2.37 In most cases, financial obligations are intended to provide infrastructure to serve the occupiers of a development, or to provide for works that will

mitigate the local impacts of development. To ensure that the necessary measures are in place prior to or as soon as possible after occupation, all Section 106 financial obligations related to a development will be payable when implementation of the development commences, when CIL liability also takes effect. This principle will apply unless an alternative arrangement is specified in the legal agreement and is in accordance with other parts of this guidance or is otherwise justified by the particular characteristics of the development or the obligation.

- 2.38 The Council will not normally accept clauses in agreements that place unrealistic time constraints on expenditure of funds. Projects such as transport infrastructure can take many years to deliver. Rather, the Council's usual approach will be for the agreement to specify that monies should be spent on an agreed scope of works and the Council will work with developers and landowners to carry out those works in deliverable time periods.





## 5 Design

- 5.1 The Council's planning policies seek to ensure that Camden's places and buildings are attractive, safe, healthy and easy to use. Core Strategy policy CS14 - Promoting high quality places and conserving our heritage requires development to be of the highest standard of design that respects local context and character, including improving the spaces around buildings and achieving high quality landscaping in schemes. More information about our detailed approach to the design of new developments and alterations and extensions can be found in Development Policy DP24 - Securing high quality design.
- 5.2 The Core Strategy also sets out our approach to other matters related to design, such as tackling climate change through promoting higher standards (CS13), the importance of community safety and security (CS17) and protecting amenity from new development (CS5). Further guidance on design is contained in our Camden Planning Guidance 1 – Design

### **Soft landscaping and ecology**

- 5.3 Landscaping is an essential element of high quality design. Planning obligations may be required to protect or secure appropriate landscaping and planting on or around the site if the potential impacts of a development on public spaces, parks and other local green spaces are substantial enough to require mitigation measures. If they are deemed to be necessary to make a development acceptable and so closely related to a development site then they may be secured through a section 106 agreement. More generic area based landscaping works will generally be funded through the CIL.
- 5.4 The Council will consider the detailed landscaping proposals submitted with applications or if necessary specify the scope of the requisite measures and calculate the cost of new planting, new features and associated works based on the cost of implementation by Council contractors. As part of a section 106 Agreement the Council may require a developer to submit for approval a landscape management plan setting out measures and standards in relation to the retention, management and maintenance of affected wildlife habitats, landscapes and other valued spaces which support biodiversity.

### **Hard landscaping, works to streets, highways and public realm**

- 5.5 A whole range of developments may require works to be carried out to the surrounding streets and public spaces to ensure that the site can be safely accessed, and to allow a new development to properly and safely function. Some works may also need to be carried out to mitigate the impacts of development and could include any of the items listed below. Where these works are clearly related to the development of a particular site they will be funded through section 106, but more area based generic works or schemes would generally be funded through the CIL.

5.6 These site specific works could include:

- a connection to a public highway;
- alterations and improvements to junctions;
- new or improved footways and pedestrian facilities;
- new or improved cycle routes and cycle stands;
- new traffic islands/refuges;
- pavement reinstatement and resurfacing;
- new or improved crossings and traffic control signals;
- crossovers;
- road closures / stopping up;
- road realignment and/or widening;
- bridge works;
- traffic reduction and calming measures
- parking management schemes/revisions to a CPZ;
- Traffic Regulation Orders, e.g. loading areas;
- works and improvements to canals and waterways.

Other site-specific public realm works may include:

- retention, repair and reinstatement of historic surface treatments;
- making access to a new development easier and safer for disabled people;
- trees on streets, public or private open spaces;
- street furniture (in some cases removal/rationalisation of street furniture would be appropriate);
- improved street lighting;
- associated signage;
- public art – either within public areas or on private land visible from the street;
- CCTV;
- associated drainage works;
- specific site related conservation area enhancement; and specific area initiatives, e.g. town centre improvements.

### **Highway works**

- 5.7 The Council, as the local highways authority, is responsible for the maintenance, safety and quality of the borough's roads and highways and other adopted public spaces. It will determine how highway and/or other related works should be designed and implemented, in consultation with developers, to ensure that they are carried out in accordance with Council procedures and standards. Developers should refer to the Camden's Streetscape Design Manual. (Note: the Transport

for London Road Network is the exception where TfL are the highway authority).

### **Level plans**

- 5.8 The design of any development needs to take account of the surrounding topography and in particular the levels of site where it adjoins the public highway. The Council will not adjust highway levels to meet accesses that do not sit at the required level. It will be a requirement of a Section 106/278 agreement for the developer to submit level plans to the Council for approval prior to implementation. These plans will need to show existing and proposed levels for channel, top of kerb, back of footway and any other features of relevance. They will also need to clearly show that any accesses or adjoining open areas will match the back of footway levels required.

### **Agreement of highway works**

- 5.9 There are two main ways for public highways works on Borough roads to be undertaken through a section 106 / 278 obligation. The Council can design and carry out these works at the developer's expense; or the developer can (with the Council's agreement) design the works themselves to a specification set by the Council. The Council will then undertake these works at the developer's expense.
- 5.10 In both cases, the Council will exercise control over the design of the works and be involved in the implementation of the scheme. Any works which will or may affect the structural integrity of the highway requires approval and inspection by the Engineering Service's structural engineers. Works may be subject to a formal Approval in Principle under highways legislation. For more information and advice please contact the Council's Engineering Service. Occasionally where very minor works are involved, the Council may, subject to agreement in advance, allow the developer to undertake the works on the Council's behalf (under Council supervision).
- 5.11 In very limited circumstances (e.g. where a Borough road is not maintainable at the public expense, or in large scale developments), a scheme could be designed and implemented by the developer, although the Council's Engineering Service would still need to instruct and approve the scheme. The Council will always have the right to intervene (at the developer's expense) if any works are not to the Council's reasonable satisfaction.
- 5.12 For planning applications located on or affecting GLA roads (Transport for London Network - TLRN), the local planning authority will consult with Transport for London regarding the suitability of the proposed scheme. Where the development would involve an alteration to or a new access onto the TLRN, Transport for London has ultimate responsibility for indicating what is acceptable.
- 5.13 The particular approach to be followed will need to be agreed with the Council before the obligation can be completed. In all cases the works

will need to be completed within an agreed timescale. In some situations where highway works are necessary to allow the development to commence, the works will need to be completed before the works approved by the planning permission are started though in many circumstances any highways or public realm works will tend to follow on from the main construction.

### **Payment for highways works**

- 5.14 The Council will secure payment of required works by preparing an estimate (including fees) for the scheme that the developer will be required to pay before commencing development. It is inevitable that, sometimes, unforeseen costs can arise during more detailed design and implementation. The agreement can provide for a subsequent adjustment to be made if actual costs exceed the amount paid, up to a maximum figure, usually agreed through the planning obligation. On completion of the works the Council will certify how much money was expended in undertaking the works.
- 5.15 If extra costs are incurred which cannot be reasonably predicted or costed, e.g. involving utilities and statutory undertakers and the expenditure exceeds the contribution paid through the section 106 agreement, the Council will require the developer to pay the excess amount. An option may be for developers to pay a one-off negotiated returnable bond or contingency sum in addition to the estimated cost, the size of which will be based on the nature, scale and risk associated with the particular works
- 5.16 If the works cost less than estimated and the agreement of the developer or landowner has not been obtained so that funds can be spent on complementary and similar works in the vicinity of the site, then the Council will repay any unspent monies.
- 5.17 Scheme costings include design, supervision and contract fees will be indexed linked from the date the agreement is signed. The developer will also be required to pay the Council's costs in respect of any necessary traffic management orders or other appropriate costs related to the works.
- 5.18 In occasional situations, it may be appropriate for other accountable parties to implement works or expend funds under the supervision of the Council. Examples of this may include works to canals/waterways or other areas of land over which the Council does not have control.

### **Public art**

- 5.19 The Council encourages the use of public art, either as a permanent or temporary feature, within the urban design process. Public art can be a catalyst for improved environmental quality by upgrading and animating public space, enhancing local character and identity through helping create a 'sense of place', and promoting better visual 'legibility' of the local area by contributing to more recognisable and distinctive places and townscape.

- 5.20 Public art can also serve as an emblem of civic pride or corporate image. It can further improve the marketability of a property and add to the process of urban regeneration. In this sense public art can be seen, both in the short and long term, to add value to a development and to enhance the visual quality of an area.
- 5.21 Examples could include painting, sculpture, photography, film and video, projections, installations, murals, tapestry, decorative ironwork, glass engravings, street and performance art, and elements integral to buildings and surrounding public spaces themselves. Many developers will be committed to public art and high quality design and will positively incorporate public art plans and works when new major developments are being designed and commissioned.
- 5.22 A new development, particularly one which is large enough to attract significant numbers of visitors or to change its context, may be expected to incorporate public art as part of the necessary measures proposed to enhance public spaces and the surrounding townscape. Public art initiatives may more appropriately be an integral part of the design and commissioning process for new development or through the creative management and use of spaces and facilities. Exceptionally they may need to be provided or funded either through the use of section 106 agreements or planning conditions.
- 5.23 The Council will only seek a planning obligation in circumstances which are appropriate and directly related to the proposed development, and where it is not possible to deal with the matter through the imposition of a planning condition. The circumstances where an agreement may be required will be determined by factors such as the precise location, nature and scale of a development, taking into account the nature of the site, the scale of associated public realm schemes and the extent of public accessibility.

### **Community safety**

- 5.24 Achieving community safety in all new developments is an important objective for the Council which is reflected in Core Strategy policy CS17– Making Camden a safer place. Crime preventive design is an important aspect of achieving community safety and should be considered from the earliest stages of a development proposal and integrated into the design. More information on designing safer environments is provided in CPG1 – Design, chapter 09 - Designing safer environments.
- 5.25 Where an otherwise acceptable development could have potentially negative impacts on local community safety, either through its uses , hours of operation, or its design, the Council will require the developer to undertake or fund appropriate site related works or measures to minimise these impacts, which may be secured through a Section 106 Agreement.

5.26 Developments of the following types may require a planning obligation to address community safety issues:

- New proposals (generally those considered “major” or over 1000 square metres) for leisure facilities and venues including uses such as gyms, leisure centres and cinemas that are likely to operate late at night. Any development proposals for entertainment venues will be expected to contribute to improving local safety (e.g. through CCTV coverage);
- Most cafes, restaurants, public houses and clubs with late night opening (generally those that could hold 100 or more people). With applications for new licensed premises (including clubs), the use of security measures around entrances and vicinity management may be required. This will be especially important in the areas identified as having relatively high levels of crime;
- Major town centre and high street developments including retail, hotel, office and mixed use developments that may be open into the night and/or are substantial enough to generate significant increases in visitor numbers and use of local public transport facilities;
- Major residential developments (over 10 units) that suffer from poor public transport accessibility and/or poor pedestrian routes and linkages to public transport facilities, local shops and community facilities;
- Developments located in the vicinity of a canal or waterway; and
- Developments that have specific user or design requirements, such as secured rear servicing, that have implications for the quality of pedestrian routes and streets (e.g. high, blank walls and blank elevations).

5.27 Whilst many measures can be addressed through good design planning obligations (which could take the form of financial or non- financial) may be sought to address a range of issues set out below. Where the measures are directly related to the acceptable development of site they will be secured through section 106 with more area based generic improvements being funded the through the CIL:

- Improving and creating safer routes for pedestrians directly serving and in the vicinity of the development
- Improving and creating safer routes for cyclists directly serving and in the vicinity of the development;
- Improvement or provision of lighting to established or proposed pedestrian routes and cycle routes to make them safer;
- Rerouting of or controlling access to underused and potentially dangerous paths and links such as subways and alleyways which serve a limited purpose;
- Improvements to housing estates in the vicinity of the development at risk of an increase of Anti-social behaviour and crime as a result of it;

- Environmental improvements that contribute towards improving safety in town centres, Central London areas and other areas affected by a development, e.g. landscaping works to improve visibility and removing areas of concealment;
- Improvements to the accessibility, safety and quality of transport infrastructure and facilities serving the development;
- Works to improve the accessibility and safety of waterways and towpaths in the vicinity of the development;
- Community initiatives which may form one strand of crime prevention e.g. youth projects, provision of community safety officers/street wardens;
- Safety improvements to existing or proposed public facilities and car parks where new developments may be located; and
- Providing new and supplementing existing CCTV schemes including management and maintenance.

5.28 The provision of local management plans including community safety management plans to manage the impact of the development on the surroundings may be required. This could include plans for the construction and/or post construction phases of the development.

### **Development involving heritage assets**

5.29 Camden has a rich architectural heritage with many special places and buildings from many different eras in the area's history. These places and buildings add to the quality of our lives by giving a sense of local distinctiveness, identity and history. Core Strategy policy CS14 - Promoting high quality places and conserving our heritage and Development Policy DP25 – Conserving Camden's Heritage recognise our responsibility to preserve and enhance the Borough's heritage assets. Further guidance on how these policies will be applied is provided in Camden Planning Guidance 1 – Design, in particular chapter 2 - Heritage.

5.30 Many of the potential impacts of development on historic buildings and in archaeological priority and conservation areas can be covered through design and by conditions on the planning permission, for example the need to carry out surveys or the storage and restoration of artefacts.

5.31 Some objectives for building and area conservation or archaeology may not be satisfactorily controlled by a condition. Where impacts are off-site, or involve a particularly sensitive or complex programme of works, involving phasing, the Council may require implementation of these measures through a Section 106 Agreement. This would be in accordance with policy DP25.

5.32 Depending on the nature of the scheme, the Council may require a developer to:

- put measures in place so that work can be stopped if the developer finds some archaeological artefacts during construction;

- provide, implement and maintain a suitable historic landscape management plan;
- draw up a listed building or conservation maintenance, repair and/or management plan;
- provide and implement a restoration scheme for historic buildings and features perhaps to a set timescale and an agreed specification;
- provide and financially support an information centre including the resourcing of staff;
- carefully record, remove, store, display and maintain specifically identified artefacts or remnants from demolition as part of a new development or in another location;
- safeguard in perpetuity an area containing significant remains and incorporate it into the design of the scheme and allow and manage public access;
- undertake and complete specified works prior to implementation or occupation of any new or enabling development; and
- carry out related surveys.

5.33 A financial contribution or works in kind may also be justified for other site specific works. For example:

- to secure the investigation and protection of archaeological remains and ancient monuments in advance of development;
- to investigate, record and remove any archaeological finds and/or allow and manage public access;
- to reinstate and repair historic features (such as streetlights, bollards and surfaces, such as granite setts, cobblestones and York stone paving) directly affected by the development and its construction impacts;
- installing new paving, lighting or bollards to complement and enhance a directly affected conservation area or heritage asset.



## 6 Affordable housing and housing in mixed-use development

- 6.1 The Council will use planning obligations to secure the provision of:
- an appropriate proportion of housing in mixed-use developments; and
  - an appropriate proportion of affordable housing in residential and mixed-use developments.
- 6.2 Contributions to housing and affordable housing may be required under Development Policy DP1 – Mixed-use development and Development Policy DP3 – Contributions to the supply of affordable housing. Policies DP1 and DP3 indicate that the contributions should normally be made on the development site that generates the policy requirement, but the policies provide for off-site contributions in a limited set of circumstances, and these contributions may exceptionally take the form of a payment in lieu.
- 6.3 CPG2 Housing sets out all the Council's usual arrangements for the provision of housing and affordable housing through policies DP1 and DP3, and housing in mixed-use, particularly section 1 Affordable housing and housing in mixed-use development. CPG2 gives guidance on providing housing and affordable housing on-site and off-site, including the use of planning obligations. Paragraphs 2.68 to 2.88 set out the limited circumstances where on off-site contribution may be accepted and the exceptional circumstances where this may take the form of a payment in lieu.
- 6.4 This section of the guidance provides guidance on how payments in lieu of housing/ affordable housing are calculated, but does not provide guidance on any other aspects of policy DP1 and policy DP3. To find out whether a payment in lieu might be acceptable, please also refer to paragraphs 2.68 to 2.88 of CPG2 Housing.



- 6.5 In summary:
- payments-in-lieu will only be accepted under exceptional circumstances where provision cannot practically be made on site

and the applicant demonstrates that no alternative site is available in the area;

- payments-in-lieu of housing and payments-in-lieu of affordable housing will be pooled into an affordable housing fund and used to assist provision of affordable housing
- where a payment-in-lieu at the level anticipated by this guidance would not be viable, arrangements for financial viability appraisal apply, as set out in paragraphs 2.60 to 2.68 of CPG 2 Housing; and
- where development proposals involve a shortfall of the housing or affordable housing required under Policies DP1 or DP3, the Council may negotiate a payment-in-lieu of the unmet requirement.

6.6 The Council will take the project management and implementation costs of off-site contributions into account. Obligations may need to include a payment to cover the costs of delivery of off-site contributions where such costs fall to the Council. These could include site searches/identification, feasibility work and associated professional costs and fees. The circumstances where these may be negotiated would include:

- Where there is no identified off-site solution in the agreement (requiring the Council rather than the developer to identify deliverable sites),
- Where there is no programmed project and/or planning approval in place (requiring the Council rather than the developer to undertake feasibility/design work), or
- Deliverability and sources of alternative funding for off-site solutions (e.g. an off-site solution may involve a Council site where approvals and funding are already in place).

6.7 The costs will be proportionate to the level of the obligation and will be capped at the accepted levels utilised by the applicant in their financial appraisals or agreed recognised source e.g. RICS. Where such costs are agreed to fall to the developer, no obligations will be required.

#### **How the payment-in-lieu levels have been set**

6.8 The Council has commissioned research on standard payment-in-lieu figures for housing and affordable housing based on the Camden Affordable Housing Viability Study 2009. The first part of this research (published as the Payments in Lieu Working Paper 2010 – see the evidence base and monitoring section of our Local Development Framework pages at [www.camden.gov.uk/ldf](http://www.camden.gov.uk/ldf)) compared the residual value of a range of market housing development types with and without the affordable housing element sought by Development Policy DP3. These comparisons show the additional value created by omitting affordable housing from the development. This has been converted to a payment per square metre of on-site affordable housing sought.

6.9 The second part of the research (published as the Mixed Use PIL Working Paper 2011 – see the evidence base and monitoring section of

our Local Development Framework pages at [www.camden.gov.uk/ldf](http://www.camden.gov.uk/ldf)) compared the residual value of a range of Central London office developments with and without the housing element sought by mixed-use Development Policy DP1. These comparisons show the additional value created by omitting housing from the development. This has been converted to two figures for payment per square metre of on-site housing sought, one for small floorspace additions and one for larger floorspace additions (for these larger schemes the housing sought would include affordable housing).

### The payment levels

- 6.10 The three discrete payment levels are set out in the table below. One level applies to residential schemes where a contribution to affordable housing is sought under Development Policy DP3. Two payment levels apply to non-residential schemes where a contribution to housing is sought under mixed use Policy DP1. The higher level applies to larger non-residential schemes which would also trigger an affordable housing requirement under Policy DP3. The higher figure takes account of the impact of affordable housing on viability, so it is not necessary to combine the different payment levels.
- 6.11 All figures are expressed as £ per square metre (gross external area). The figures are applied to the **on-site** target for housing/ affordable housing. They should not be applied to the total or additional floorspace of the proposed development, or to the off-site target for affordable housing.

Figure 1. Housing/ affordable housing payment levels

Development type/ policy requirement	Level of payment in lieu
Market residential scheme/ affordable housing policy DP3	£2,650 per sq m x on-site target for affordable housing
Non-residential with less than 2,000sq m additional floorspace (gross external area)/ mixed-use policy DP1	£700 per sq m x on-site target for housing
Non-residential with 2,000sq m additional floorspace or more (gross external area)/ policies DP1 and DP3	£1,350 per sq m x on-site target for housing

- 6.12 The payment levels in Figure 1 for non-residential schemes have been derived on the basis of developments that omit all types of housing requirement (under DP1 and DP3), and are based on costs and values for office developments. These figures may not be appropriate for a large non-residential scheme that only omits affordable housing, or where the primary use is a non-office use such as retail or a hotel.

Where the type of development proposed is substantially different from the developments used to set the payment levels, or the payment levels indicated in Figure 1 would not be viable, the Council will:

- apply the arrangements for financial viability appraisal set out in paragraphs 2.59 to 2.67 of CPG2 Housing; and
- negotiate a payment on the basis of the financial viability of the particular development.

- 6.13 For a primarily residential scheme with a non-residential element of less than 1,000sq m gross, if the Council agrees that a payment in lieu of affordable housing is appropriate, the level of payment will be guided by policy DP3 and the figure of £2,650 per sq m of on-site target for affordable housing.

#### **GROSS EXTERNAL AREA**

Calculations in this guidance are based on Gross External Area (GEA). This is generally the total area of every floor in the building including common areas and external walls. Payment-in-lieu figures have been calculated on that basis.

Floorspace measurements are sometimes provided which exclude common areas and exterior walls of the building (this often applies to flats), or just exclude the exterior walls (this often applies to houses). Where a figure for Gross External Area including common areas is not available, the Council will consider using a conversion factor to assess the housing/ affordable housing requirement and to calculate the payment in lieu.

- To convert to GEA where common areas and exterior walls have been excluded - multiply by 1.25.
- To convert to GEA where only exterior walls have been excluded – multiply by 1.053.

A fuller explanation of the terms Gross External Area and Gross Internal Area is given in paragraph 2.25 of CPG2 Housing.

#### **How to calculate affordable housing payments under policy DP3**

- 6.14 Where the payment is in lieu of affordable housing under Development Policy DP3, calculations of the payment will proceed in accordance with CPG2 Figure 2 and paragraphs 2.31-2.32 and 2.35, as follows:
- the capacity of the site will be assessed and be converted into a percentage target for on-site affordable housing;
  - the percentage target for on-site affordable housing will in turn be assessed and converted into a floorspace figure (GEA);
  - the target for on-site affordable housing floorspace will be multiplied by the payment per square metre figure of £2,650.
- 6.15 Please refer to CPG2 for full details of the factors which influence capacity and on-site affordable housing target. In summary:

- assessment of capacity is based on the number of additional homes proposed and the gross floorspace addition including common areas;
- capacity is assessed as the number of additional homes proposed or 1 home per additional 100sq m (gross), whichever is the greater;
- capacity is rounded to the nearest whole number;
- the on-site affordable housing target is assessed as 10% where capacity is 10 additional homes plus 1% for every further increase of capacity by 1 home, up to a target of 50% where capacity is 50 additional homes.

**Figure 2. Example calculations:  
payments in lieu of affordable housing under policy DP3**

<b>Example 1</b> 21 additional homes with a built floorspace of 1,750sq m gross	Site capacity = 21 homes
Percentage target for on-site affordable housing	= 21%
Floorspace target for on-site affordable housing	= 1,750 x 21% = 367.5sq m
Payment-in-lieu of affordable housing	= 367.5sq m x £2,650 = £973,875
<b>Example 2</b> 22 additional homes with a built floorspace of 2,360sq m gross	Site capacity = 24 homes
Percentage target for on-site affordable housing	= 24%
Floorspace target for on-site affordable housing	= 2,360 x 24% = 566.4sq m
Payment-in-lieu of affordable housing	= 566.4sq m x £2,650 = £1,500,960

### **How to calculate housing payments under policy DP1**

6.16 Where the payment is in lieu of housing under Development Policy DP1, calculations of the payment will proceed as follows:

- the additional floorspace proposed will be multiplied by the 50% target for on-site housing to produce a floorspace target (GEA);
- where the additional floorspace proposed is less than 2,000sq m (GEA)

- the on-site housing floorspace target is less than 1,000sq m (GEA)
- consequently no contribution to affordable housing would be sought under policy DP3
- the target for on-site housing floorspace will be multiplied by the payment per square metre figure of £700;
- where the additional floorspace proposed is 2,000sq m (GEA) or more
  - the on-site housing floorspace target is 1,000sq m (GEA) or more
  - consequently an on-site contribution to affordable housing would be also be expected under policy DP3
  - the target for all on-site housing floorspace will be multiplied by the higher payment per square metre figure of £1,350.

**Figure 3. Example calculations:  
payments in lieu of housing under policy DP1**

<b>Example 1</b>	= 800sq m
Total floorspace addition	
Target for on-site housing	= 800 x 50% = 400sq m
Affordable housing sought?	No
Payment level	£700 psm
Payment-in-lieu of market housing	= 400sq m x £700 = £280,000
<b>Example 2</b>	= 2,400sq m
Total floorspace addition (NB an on-site housing contribution would be required unless there is clear evidence that off-site provision is more appropriate)	
Target for on-site housing	= 2,400 x 50% = 1,200sq m
Affordable housing sought?	Yes
Payment level	£1,350 psm
Payment-in-lieu of all housing	= 1,200sq m x £1,350 = £1,620,000

## **7 Sustainability**

- 7.1 Promoting a sustainable Camden is an integral element of our Local Plan documents strategy. Core Strategy policy CS13 – Tackling climate change through promoting higher environmental standards sets out a key part of our overall approach to tackling climate change, which includes promoting higher environmental standards in design and construction.
- 7.2 Core Strategy policy CS13 states that the Council will have regard to the costs and feasibility of measures to tackle climate change within developments (paragraph 13.4). This approach also applies to policy DP22. We will also take into account the cumulative costs of not responding to the need to mitigate and adapt to climate change as well as the long term cost savings, such as on energy and water bills, to future occupiers. Measures to tackle climate change are integral in the development process and are a priority of the Council, therefore, they should not be seen as ‘add-ons’. They are an essential element of sustainable development. For further information on ways to achieve carbon reductions and more sustainable developments please refer to Camden Planning Guidance note 3 – Sustainability.

### **Biodiversity and habitats**

- 7.3 Planning obligations may be used to require developers to carry out works to secure or reinstate existing habitat features, enhance existing features, create new features or to undertake habitat creation schemes. In those very exceptional cases where a developer cannot protect an ecological habitat adjacent to or within the boundaries of the site and in other respects the development is acceptable they will be required to provide an alternative compensatory measure of equal or greater value.
- 7.4 These measures could be land off-site on which the Council or other responsible agency can carry out works and recover the reasonable costs from the developer, or assistance in enlarging or enhancing existing nature conservation assets and habitats and make provision for maintenance of the site.
- 7.5 A planning obligation may also be appropriate where additional monitoring or survey work is considered necessary to confirm that relevant environmental measures have been implemented successfully. Some developments may result in increased activity and affect the value of areas of nature conservation merit adjacent to or within the site.
- 7.6 In certain circumstances legal agreements may be appropriate to restrict types and hours of activities and development rights. They may also be used to control access so as not to damage or harm existing features and to make proper provision for the long-term maintenance of directly affected sites.

## **Sustainable design and construction**

- 7.7 Policy DP22 – Promoting sustainable design and construction contributes towards delivering the strategy in policy CS13 by providing detail of the sustainability standards we will expect development to meet. Meeting the requirements for sustainable design and construction is often achieved in the detailed design or construction phases. Normally, requirements for environmental design will be dealt with using conditions, but in some circumstances, a Section 106 agreement may be required to secure an environmental assessment of the proposed development carried out by an impartial assessment body or a sustainability plan to provide and maintain the highest environmental standards of development.
- 7.8 If they cannot be implemented through the approved design or satisfactorily secured through conditions, the following design features may be specified through a sustainability plan required to be submitted as part of a section 106 Agreement:
- energy efficient design measures;
  - renewable energy facilities;
  - waste and recycling storage facilities;
  - water retention and recycling facilities;
  - heating or cooling systems;
  - internal water consumption levels; and
  - materials sourcing proportions.
- 7.9 Other specific management plans may normally be required through a condition of a planning approval. However, some proposals or aspects of a proposal might generate a requirement for a management plan to deal with some of the following issues, depending on the scale, nature and location of the scheme:
- waste management;
  - energy including renewable energy on site and energy efficiency;
  - facilities management;
  - construction and demolition;
  - water efficiency;
  - Sustainable Drainage Systems (SUDs)
  - community safety;
  - contamination;
  - hazardous substances; and
  - biodiversity.
- 7.10 This list is not exhaustive, and the requirements will be relevant, proportionate and related to the specific nature and potential impacts of the development proposed.



- 7.11 Camden Planning Guidance 3, Sustainability provides further detail on the appropriate standards for different types of development – BREEAM, Ecohomes or the Code for Sustainable Homes. A Section 106 Agreement may be used by the Council to require the developer to carry out and submit a post-construction review to ensure that the development has met the criteria which were approved earlier as part of the estimate and design stage assessments. The Council will not permit occupation of the development until a satisfactory post-construction review has been provided and any issues identified in that review have been satisfactorily addressed

### **Decentralised energy networks**

- 7.12 Developments are expected to connect to a decentralised energy network unless it can be demonstrated that it is not technically feasible or financially viable. Developers should use guidance in CPG3 – Sustainability chapter 5, to determine whether connection to a decentralised energy network, a combined heat and power plant or a contribution towards a decentralised energy network will be expected.
- 7.13 Where justified and clearly related to the development of a site section 106 agreements will be used to secure:
- the installation of CHP/CCHP and the generation and use of energy;
  - details that ensure the plant and its operation is carbon dioxide efficient with regards to operating hours, compatibility with the need (amount and timing) for heat, and requirements for a heat store;
  - details that ensure the design of the heating system is compatible with any nearby decentralised energy network; the export of heat, cooling and/or electricity;
  - developments use heat, cooling and or electricity from a decentralised energy network;
  - sufficient space is provided for future plant, heat exchanges, connection points to either generate, export and take heat, cooling and/or electricity; and
  - a financial contribution towards future decentralised energy networks in the immediate vicinity of the site.



## 8 Employment and business support

- 8.1 Local businesses can provide employment for local people and new business development can benefit the local economy and existing businesses through the use of local shops, facilities and services. Core Strategy Policy CS8 – Promoting a successful and inclusive Camden economy and Development Policy DP13 – Employment premises and sites aims to ensure that the borough’s economy will be strong and diverse and that Camden’s residents can play a role in this by supporting training and employment opportunities.
- 8.2 There is an identified skills gap between Camden residents and the jobs on offer in the Borough. Currently, only 23% of the workforce in Camden is resident in the Borough. Local employment and training initiatives can open up job opportunities for people from many sectors of the community, who may otherwise find it difficult to access employment offered by existing and new businesses, helping to bridge the identified skills gap.
- 8.3 The Council may require developers to assist with training and employment initiatives via section 106 Agreements where the development impacts on the availability of jobs for Camden residents, including the following types of development:
- Any commercial land use where the proposed development could offer local employment opportunities, or would have the potential to provide it on account of its floorspace (i.e. greater than 1,000sq m or 50 jobs);
  - A development in a location where there are identified employment and training issues (e.g. higher than Borough-average levels of unemployment, lower than Borough-average levels of skills/education attainment);
  - Where major developments result in the loss or displacement of existing employment opportunities; and
  - Major infrastructure or development projects involving significant construction contracts (e.g. over £3 million build costs or 1,000sq m or more net additional floorspace).
- 8.4 Schemes that provide 1,000sq m or more of net additional floorspace could potentially have build costs exceeding £3 million if they are costly schemes, for example for very high specification buildings. The Council will therefore expect schemes of this size or larger to provide employment or training initiatives secured by s106 with the Council, unless evidence is provided to demonstrate that the scheme is below the £3m build cost trigger.
- 8.5 A financial contribution to assist local residents to receive training in the skills that would enable them to access the jobs created by the new development may be sought. These monies will be held by the Council and used to support activities that create or promote opportunities for employment or training.

- 8.6 Developers may need to fund or provide construction training opportunities for local residents related to a development, either through recognised local initiatives or partnerships (e.g. Kings Cross Construction Skills Centre), or through in-house training schemes operated by their contractors and agreed with the Council's Economic Development Team.
- 8.7 Developers and occupiers of new development will be strongly encouraged to put in place measures to seek to recruit widely from Camden's resident population, for example by registering all vacancies with the local Job Centre, by advertising in the local press and running local recruitment events. As part of this approach, the Council also encourages developers and their contractors to recruit local residents for construction jobs during development of the scheme.
- 8.8 Contributions to employment and business support will be primarily funded through section 106 where legally justified rather than CIL because they do not constitute infrastructure as defined by the CIL regulations and also will not be subject to pooling restrictions.

### **Developments which result in a loss of employment space**

- 8.9 Policies CS8 and DP13 aim to protect employment sites which provide employment opportunities. However, in exceptional circumstances we may agree that change of use is acceptable. In these circumstances, where the loss of employment use can be expected to result in a reduction of job opportunities for Camden residents, developers may be required to contribute towards measures which create or promote opportunities for employment or training of local people.
- 8.10 In line with paragraph 13.11 of Policy DP13, the term 'business' and 'employment' refer to B1, B2, B8 uses and other sui generis uses of a similar nature.
- 8.11 A contribution will only be sought in cases where:
- the net loss of employment space is 500sq m or more;
  - where the building is occupied by a commercial tenant or has only recently been vacated; and
  - it meets relevant policy and legal tests
- 8.12 The calculation will take account of the proposed alternative use of the floorspace, such as for education or training use, and whether this use can be expected to create employment or training opportunities for Camden residents.

- 8.13 The planning obligation for loss of employment floorspace will be based on the following formula:

Gross employment floorspace lost (sq m) / 12sq m (space requirement per full time employee<sup>1</sup>) = full time jobs lost.

Full time jobs lost x 23% [% of Camden residents in the workforce]  
x £3,995 [cost to provide training per employee] = contribution

These figures will be subject to review and may be updated to reflect the latest information.

#### **Worked example 1: Change of use from employment to residential**

- 8.16 If the existing building provides 1,000sq m of employment floorspace and a change of use to residential is proposed, we will expect a contribution of £76,571 to cover training and employment support measures.

Net fulltime jobs lost, in this case the no. of full time jobs expected if use continues:

$1000\text{sq m} / 12\text{sq m} = 83$  FT jobs lost (floorspace / average space per worker):

No. of jobs lost which would be expected to be filled by Camden residents:

$83 \times 23\% = 19$  jobs (FT jobs lost x 23%)

Cost of retraining and supporting number of Camden residents who would be expected to be employed in former use:

$19 \times £3,995 = £76,571$  (No. of jobs lost which would be expected to be filled by Camden residents multiplied by retraining costs)

1.1

<sup>1</sup> Employment density estimates provided by the Homes and Communities Agency (2010) for general office uses, Alternative HCA figures may be used for B2 and B8 uses.

**Worked example 2: Change of use from employment to hotel**

- 8.23 If the existing building provides 4,000sq m of employment floorspace and a change of use to hotel is proposed we will expect a contribution of £260,341 to cover employment training. This takes account of the hotel use providing 50 FTE jobs.

The contribution required would recognise that the hotel would generate some employment opportunities for Camden residents but the number of full time jobs created would be fewer than if the building remained in its former use. The contribution is based on the difference between the number of jobs expected to be supported if a building remained in its existing employment generating use and the number of jobs expected to be generated by the hotel use.

No. of full time jobs expected in an employment generating use (floorspace / average space per worker):

$$4,000 / 12 = 333 \text{ FT jobs}$$

Net jobs lost (FT jobs expected in employment use minus FT jobs in new (hotel) use):

$$333 - 50 = 283 \text{ FT jobs}$$

No. of net jobs lost expected to be filled by Camden residents (net loss of FT jobs X 23% [% of Camden residents in the workforce]):  $283 \times 23\% = 65 \text{ jobs}$

Cost of retraining and supporting number of Camden residents who would be expected to be employed in former use:  $65 \times £3,995 = £260,341$  (No. of jobs expected to be filled by Camden residents multiplied by retraining costs)

**Employment and local procurement during construction**

- 8.24 In line with Core Strategy Policy CS8, large schemes which have significant job creation potential will be expected to produce an Employment and Training Strategy which will be secured through a Section 106 agreement. This applies to all major developments which will result in an increase of 1,000sq m or more of floorspace or a net increase of 10 or more homes.

The strategy will involve the developer/point of contact meeting with Camden Council and their nominated partner at pre-tender stage/pre-implementation to discuss an Employment and Skills Strategy for every phase of the development and liaising with local employment providers to fill vacancies.

### **Construction apprenticeships**

- 8.25 Developments over £3 million build costs will be required to recruit one construction apprentice through Camden Council, or its nominated partner, for every £3 million of build where the length of the project allows (generally, where the contract is 52 weeks or more).
- 8.26 A support fee of £1,700 per apprentice placement will also be payable in order to cover:
- pre-employment;
  - recruitment process;
  - training provider brokerage; and
  - post-employment mentoring and support.
- 8.27 Where the length of the project/build does not allow for an apprenticeship placement, a £7,000 fee per apprentice will be payable to allow for the creation of training opportunities elsewhere in the borough. In certain circumstances a bond may be required to secure training and employment measures.

### **Local recruitment for construction related jobs**

- 8.28 The Council encourages developers to recruit from Camden's resident population for construction related jobs. The Council will expect developers to work toward the Construction Industry Training Board (CITB) benchmark which specifies the number of jobs advertised through local employment vehicles. The local employment vehicle will be King's Cross Construction Skills Centre or another agency recommended by the Council. The benchmark should be used as a minimum requirement for developers to meet or exceed and has been created to provide proportionality against the size and type of projects on which they are to be used.

### **Construction work experience placements**

- 8.29 In addition to construction apprenticeships the Council also expects large schemes to provide construction work experience placements for local residents. As a guide the Council will seek to secure one, two-week work experience placement per 20 net additional housing units or 500sq m of net additional employment floorspace, however the Council will also take into consideration other scheme specific factors when agreeing the appropriate number of placements. Work experience placements are to be recruited through King's Cross Construction Skills Centre. The Council will expect provision for work experience placements to be undertaken by the developer to be form part of the Employment and Training Strategy and secured by section 106 agreement.

### Local Procurement Code

- 8.30 Developers will also be required through a legal agreement to sign up to the Camden Local Procurement Code where the value of the scheme exceeds £1,000,000. This will involve the developer/point of contact meeting with Camden Council and their nominated partner prior to the implementation of their scheme to discuss potential for local businesses becoming part of the supply chain and to draw up a Local Procurement plan in line with the Local Procurement Code. The Council expects that developers work towards a local procurement target of 10% of total procurement value.

### Employment in development after completion

- 8.31 Camden Council encourages the creation of apprenticeships and training placements to help to close the skills gaps between the jobs on offer in the borough and the skills of the local workforce, allowing companies to recruit and retain local people into work. This approach is supported through policy CS8 of the LDF and applies to major commercial developments which will result in a NET increase of 1,000sq m or more of employment space including office, hotel and leisure developments.
- 8.32 The Council will seek to negotiate a section 106 contribution to be used by the Council's Economic Development service to support initiatives which create and promote employment and training opportunities and to support local procurement initiatives in Camden. The contribution is lower than for developments involving a loss of employment space to reflect the fact these developments are providing new employment opportunities. Contributions will be calculated as follows:

#### Employment space

Net increase in floorspace (sq m) / 12sq m [space requirement per full time employee] = full time jobs created

Full time jobs created x 23% [% of Camden residents in the workforce]  
x 35% [% of employees requiring training] x £3,995 [£ per employee requiring training]

#### Hospitality

No of bedrooms x 0.5 [number of employees per bedroom] = full time jobs created

Full time jobs created x 23% [%of Camden residents in the workforce]  
x 35% [% of employees requiring training] x £3,995 [£ per employee requiring training]

- 8.33 Where the end use occupier is known, as part of the s106 we will seek an agreement with the developer to provide a specified number of



apprentice or work experience places within the development. Where the end use occupier is not known, the Council will seek an agreement to ensure that its aims and objectives, in respect of employment and skills, are promoted by brokering a meeting between the new occupier and the Economic Development team.

### **Central London Forward**

- 8.34 The Council cooperates with the Central London Forward boroughs on local training initiatives. Central London Forward is a sub-regional strategic organisation representing the eight central London local authorities. The member local authorities of Central London Forward are Camden, City of London, Islington, Kensington and Chelsea, Lambeth, Southwark, Westminster, and Wandsworth.
- 8.35 When local labour targets cannot be met by residents of Camden, the Council will expect that developers seek to meet these obligations with residents of the Central London Forward boroughs. This requirement will be negotiated on a case by case basis and the details will be secured through s106 agreement.



## **9 Provision of flexible shops and business space**

- 9.1 In order to encourage flexibility of provision, vitality and diversity in town centres and other employment areas Camden will use planning obligations to secure the provision of the types of flexible business space described below. Please refer to Camden Planning Guidance 5 Town Centres and Retail and Employment for a fuller explanation of Camden's approach to these issues.

### **Affordable business space (Hatton Garden)**

- 9.2 Policy DP1 requires that 50 percent of additional floorspace in Hatton Garden is to be provided as jewellery sector workspace at affordable rents (defined as an average of rents paid by the jewellery industry in Hatton Garden). Where jewellery workshop space cannot easily be provided, mainly in cases where the floorspace is too small to provide viable workshop/ business space, a financial contribution will be secured in lieu of the direct provision. This will be based upon the equivalent cost of providing alternative workshop floorspace and will be used for related measures to support this business sector.

### **Affordable business space (outside Hatton Garden)**

- 9.3 On major development sites outside of Hatton Garden the Council may require the inclusion of affordable workspace to help support small businesses and provide a range of employment opportunities.

### **Provision of affordable, small and independent shops**

- 9.4 In order to maintain and encourage a balance of different types of shops to maintain and support successful and diverse town centres in line with Policy DP10 of Development Policies the council will expect the provision of small and affordable shop units (100sq m or less) in large retail developments (over 1,000sq m). Legal agreements may be used to manage the rents of these units to appropriate levels and to control their size, location and the nature of occupant.



## 10 Transport

### Car free and car capped housing

- 10.1 In order to encourage use of other types of transport and reduce parking stress the Council will use legal agreements to make development car free or car capped. This will limit the number of new residents from being able to obtain on-street parking permits (unless the resident is the holder of a disabled persons badge issued pursuant to Section 21 of the Chronically Sick and Disabled Persons Act 1970.)
- 10.2 Agreements will require the owner of the property to inform the Council's Planning Obligations officer in writing of the official postal address of the property (as issued and agreed by the Council's Street Name and Numbering Department) and to clearly identify the unit number of the car free units specified in the legal agreement before the development is occupied. The owner will also be required to inform any occupants of the property of any car free restrictions (in writing). Please refer to CPG7: Transport on car free and car capped developments for an explanation why the Council imposes these restrictions.
- 10.3 Once planning permission is granted which includes a car free restriction, a copy of the agreement will be passed to the Council's permit issuing team who will maintain a record of properties excluded from obtaining a parking permit. In cases where part of the property is subject to a car free restriction no parking permits will be issued until the owner or developer has clarified in writing with the Council's Planning Obligations officer the official postal address of the property and identified the unit(s) to which the car free restriction applies.

### Travel plans

- 10.4 The Council may use legal agreements to require travel plans to manage the impacts of the development where these measures are deemed necessary to control the impacts of the development. A contribution may be sought to cover the staff costs for overseeing the implementation of these plans. Please refer to CPG7:Transport for further information on Travel Plans and Transport Assessments.

### Public transport contributions

#### a) Contributions towards Crossrail

- 10.5 The collection of funds for Crossrail is required under Policy 6.5 of the London Plan (Funding Crossrail and other strategically important transport infrastructure) which states that:
- 10.6 'In view of the strategic regional importance of Crossrail to London's economic regeneration and development, and in order to bring the project to fruition in a suitably timely and economic manner, contributions will be sought from developments likely to add to, or create, congestion on London's rail network that Crossrail is intended to

mitigate. This will be through planning obligations, arrangements for the use of which will be established at strategic level, in accordance with relevant legislation and policy guidance.'

- 10.7 In April 2013 Supplementary Planning Guidance was published by the Mayor explaining how this system will operate alongside the Mayor's Crossrail CIL. In Camden all office, retail and hotel development schemes in Central London and the Euston and Kings Cross Opportunity area which add more than 500sq m of floorspace will need to will need to pay a charge.

Use	Rate per sq m
Office	£140
Retail	£90
Hotels	£61

- 10.8 Applicants' are recommended to consult the 2013 Supplementary Planning Guidance note on the Use of Planning Obligations in the Funding of Crossrail, and the mayoral community infrastructure levy which can be viewed on the Greater London Authority web site.
- 10.9 In general terms, funds collected under the Mayor's CIL for office, retail and hotel uses (currently £50 per sq m) can be deducted from the section 106 charge. The charge will be collected by Camden on behalf of the Mayor. The negotiation of the contribution towards Crossrail will be carried out having regard to Policy 8.2 (Planning Obligations) in the London Plan.

#### **b) Other public transport contributions**

- 10.10 Where public transport provision is not adequate to serve a development (in terms of capacity, frequency, reliability, boarding points, access to boarding points and vehicles), and the absence of such provision would make a development unacceptable the Council may seek a contribution to public transport provision in accordance with the statutory tests. This will be assessed through the transport assessment. Please see CPG7: Transport on Assessing transport capacity.
- 10.11 The Council will therefore consider mechanisms such as those listed below to reconcile development proposals with the public transport services which will serve them:
- seeking contributions to existing provision so that they can serve the development better (examples could include enhancing pedestrian routes to stops, providing shelters, better seating and real-time information at stops, or increasing service frequencies); and
  - seeking contributions towards pooled funds to be used towards a particular provision or type of provision once accrued funds are adequate (examples could include funds for bus priority measures extending some distance along a route, for an extension to a route, or

for a co-ordinated series of measures across an area to make public transport safer at night).

- 10.12 The pooling of funds will be limited to 5 contributions per infrastructure project or type of infrastructure. The Council will generally consider seeking contributions towards facilities that assist the use of public transport services which have an existing or proposed boarding point within a convenient walking distance of the development. For bus services, a convenient walking distance is generally up to 400 metres. For rail services, a convenient walking distance is generally up to 800 metres. Funds will not be sought for transport projects which are in Camden's CIL funding list.

### **Pedestrian, cyclist and environmental improvements**

- 10.13 New developments also have wider impacts and may increase the demands on a transport network that at certain times already operates above capacity. Traffic problems include congestion, traffic intrusion (e.g. additional traffic on quiet lanes), road safety, air quality and the impact of additional traffic on other, especially vulnerable, highway users. Such development also increases the need to improve transport alternatives such as walking, cycling and public transport; this requires further investment so as to make these modes more attractive. Where these are site specific and necessary works to make a scheme acceptable they may be secured through planning obligations. Wider strategic and area-based network improvements will generally be addressed through the use of CIL funds.





**Figure 4. The financial contributions**

	<b>Capital cost</b>	<b>Maintenance</b>	<b>Design and Project Management</b>
<b>Self-contained homes in Use Class C3</b>			
One bedroom home	£385	£386	£46
Two bedroom home	£663	£561	£80
Three bedroom home	£1,326	£832	£159
Four bedroom home	£1,537	£921	£184
<b>Student housing, hotels and hostels</b>			
Single room	£297	£297	£37
Double room	£593	£594	£71
<b>Commercial/ higher education development in the Central London Area</b>			
Per 1,000 sq m	£1,265	£1,284	£152

- 11.14 Please refer to CPG 6 Amenity for the full explanation and worked examples.



Strategic Planning and Implementation

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