



New Southwark Plan BACKGROUND PAPER

**Viability
May 2020**

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1. Executive summary

- 1.1 For schemes to be sustainable and acceptable they may require planning or financial contributions to mitigate or offset any impacts of the scheme, this is reflected in New Southwark Plan Policy IP3 – community infrastructure levy and Section 106 planning obligations. It is important that cumulatively, contributions required within developments are viable, otherwise a scheme will not be deliverable. Different schemes have different impacts and infrastructure requirements to support them and as a consequence some requirements may be different from site to site and scheme to scheme, and will need to be negotiated on a scheme by scheme basis.
- 1.2 Our Section 106 and CIL Supplementary Planning Document (2015) and Addendum (2017) set out what is required for schemes of a defined scale. This list is not exhaustive, as some additional contributions may be negotiated on a scheme by scheme basis determined by the anticipated impact and in line with the tests for such contributions.
- 1.3 Section 106 planning obligations must meet the tests set out in the Community Infrastructure Levy Regulations 2010 (as amended) (Regulation 122), which is also set out at paragraph 5 of the National Planning Policy Framework (NPPF). Planning obligations must only be sought where they meet all of the following tests:
 - necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fairly and reasonably related in scale and kind to the development.
- 1.4 In January 2017 an Addendum to the Section 106 Planning Obligations and CIL SPD was adopted, this is specifically in relation to the Old Kent Road. It explains how we will use Section 106 planning obligations and CIL in the Old Kent Road opportunity area (OA) and provides guidance on our approach to negotiating Section 106 contributions for transport infrastructure for applicable developments within part of the opportunity area.
- 1.5 This report collates all of the Section 106 and CIL requirements from the New Southwark Plan and the Section 106 and CIL SPD to demonstrate what is required from developments.

- 1.6 Consideration is also given to the numerous viability studies prepared to inform and support the New Southwark Plan and forms part of the evidence base.
- 1.7 In terms of Section 106 requirements in the New Southwark Plan policies, these do not differ significantly from that required within the Southwark Plan saved policies (2007) and the Core Strategy (2011). These requirements are mostly set out within the Section 106 and CIL SPD 2015 and have therefore been required in developments over the last five years. These requirements are set out at Section 3 and we have highlighted where these requirements are new and being considered i.e. they are not sought from developments at this time.
- 1.8 We also set out a list of schemes where these contributions have been sought, secured and delivered, evidencing that these requirements are viable / deliverable in schemes in the Borough. This is set out in Section 4. This also sets out schemes where the Section 106 agreement has been finalised, however, the development has not yet been completed or started on site where it has recently been approved.
- 1.9 Affordable housing is generally the greatest element of Section 106 agreements. [Housing monitoring data](#) has been prepared as part of submission of the New Southwark Plan. This provides details of the provision of affordable housing in the borough. This confirms that on average major completed schemes have been providing 34% net affordable housing between 2004 and 2019. However, more recently schemes are achieving over 35%.
- 1.10 At main planning committee, which considers large / strategic applications, of the twelve housing schemes approved between April 2019 and February 2020, the average affordable housing provision was 37%. Two of these schemes are providing 50% affordable housing. Three schemes that were approved within this timeframe have been excluded from this figure as two were hybrid applications and one provided a payment in lieu for the affordable housing contribution which will go towards the delivery of council homes.
- 1.11 This demonstrates that our affordable housing requirement, along with the other Section 106 and CIL requirements, is being secured in schemes.

2. Introduction

Southwark policy

- 2.1 A number of policies in the New Southwark Plan set out requirements for planning and financial contributions. Policy IP3 sets out the requirements for Section 106 planning contributions and the community infrastructure levy (CIL) (Mayoral and local).
- 2.2 The adopted Section 106 and Community Infrastructure Levy Supplementary Planning Document (Section 106 and CIL SPD) also sets out a number of requirements for financial contributions or provisions for development to mitigate any potential impacts.
- 2.3 The policy requirements within the New Southwark Plan are broadly in line with the Southwark Plan saved policies (2007) and the Core Strategy (2011) and the Section 106 and CIL SPD 2015.
- 2.4 There is a minor amendment to Policy P1, where the social rented and intermediate housing tenure split has been amended to require 25% and 10% respectively, instead of 70% (24.5%) and 30% (10.5) of the 35%, this is a marginal difference. The provision of affordable housing has been tested and is viable in most cases.
- 2.5 The fast track route for social rented and intermediate housing provision has been introduced to Policy P1, where if a developer provides 40% affordable housing (or 60% within Aylesbury Area Action Plan area) at a compliant tenure split of social rented and intermediate housing, they can follow the fast track route where viability does not need to be scrutinised. Where schemes cannot provide 40% affordable housing at the appropriate social rented and intermediate housing tenure splits, applicants can follow the viability tested route.
- 2.6 The requirement for affordable workspace has been introduced, this has been viability tested and has also been secured in a number of schemes recently. Further detail of this is provided under Policy P30 in Table 3.

Planning Practice Guidance

- 2.7 The Planning Practice Guidance (viability and plan making – Paragraph 001) sets out that contributions required from developments should be detailed within plans, including affordable housing provision and infrastructure. These requirements in the

plan should be informed by evidence of need, and a proportionate assessment of viability that considers all relevant policies, local and national standards, including the cost implications of CIL and Section 106.

- 2.8 It also highlights that viability should be assessed primarily at the plan making stage. Policies should be realistic, and the total cumulative costs of all relevant policies should not undermine deliverability of the plan.
- 2.9 Paragraph 003 sets out that assessment of the viability of the plan does not need to be carried out on individual sites, typologies can be used to determine the viability of the plan. This will determine whether the plan makers are creating realistic deliverable policies based on the site types that are likely to come forward over the plan period.

Viability testing for the New Southwark Plan

- 2.10 We note the comments set out in the “Inspectors’ Letter introduction and summary of main initial matters/concerns” (EIP14) dated 20 April 2020, at section 6 (paragraphs 6.1 and 6.2). We confirm that the appropriate viability evidence supporting and informing the New Southwark Plan’s policies has been prepared.
- 2.11 A number of viability studies have been prepared to inform and test the viability of the New Southwark Plan policies. These studies were commissioned by the Council to provide an understanding of the viability and deliverability of development in the Borough in context of the cumulative impact of the Council’s emerging planning policies and form part of the Council’s evidence base. This evidence is in line with the requirements of the NPPF and the National Planning Practice Guidance on Plan making and Viability (‘NPPG’).
- 2.12 We list the full suite of viability evidence below.
- SP110 - Vacant Building Credit Viability Study June 2015 by BNP Paribas Real Estate (BNPPRE);
 - New Southwark Plan Evidence Base: Housing Policy Viability Study September 2015 by BNPPRE;
 - Old Kent Road Opportunity Area Viability Study April 2016 by BNPPRE, for which there was an examination version published in 2017 including amendments of typos and clarification points raised by the Examiner’s questions;

- New Southwark Plan Evidence Base: Housing Policy Viability Update Study November 2017 by BNPPRE;
- SP108 - New Southwark Plan Evidence Base: Housing Policy Additional Small Sites Viability Testing July 2019 by BNPPRE; and
- SP109 - New Southwark Plan Evidence Base: Housing and Affordable Workspace Policies Further Viability Sensitivity Testing July 2019 by BNPPRE.

2.13 The key starting point of the New Southwark Plan viability evidence base is the September 2015 “New Southwark Plan Evidence Base: Housing Policy Viability Study” produced by BNPPRE. The Council subsequently commissioned BNPPRE to prepare the “New Southwark Plan Evidence Base: Housing Policy Viability Update Study” in November 2017, which provides an update to the 2015 study. Following this the 2019 Viability Study (SP109) built on the 2017 Update Study. An Old Kent Road Opportunity Area Viability Study 2016 was also prepared by BNPPRE, which also informs the viability of the Plan and this considered the policy requirements.

2.14 The viability studies have adopted a consistent methodology and adopt the residual valuation approach to test the impact on viability of the emerging New Southwark Plan policies. This accords with the recommended approach in the NPPF and NPPG. This compares the residual land values of a range of development typologies on sites throughout Southwark to their value in existing use (plus a premium), referred to as ‘benchmark land value’. If a development incorporating the New Southwark Plan policy requirements generates a higher residual land value than the benchmark land value, then it can be judged that these policy requirements will not adversely impact upon viability.

2.15 All the viability assessments consider the cumulative impact of the New Southwark Plan policy requirements, Mayoral CIL and the local CIL, within the appraisals, which in turn informs the viability position. The reports also confirm the inputs to the development appraisals including the development costs e.g. cost of construction, fees, finance, CIL and Section 106 and other pertinent policy costs which are detailed in the reports, and therefore the viability evidence base tests the cumulative cost of policy requirements.

2.16 The 2019 study also undertakes further sensitivity testing on the November 2017 viability work to consider the cost implications associated with design standards as set out in both the emerging New Southwark Plan and the adopted London Plan. In

particular, it considers the requirements for energy, accessible homes, water efficiency, car parking and electric vehicle charging. The 2017 study provides further details of these inputs, it includes allowances for MCIL2 and the updated Southwark CIL as appropriate.

- 2.17 The appraisals also incorporate notional allowances of £2,000 per unit for residential schemes and £30 per sq m for commercial schemes to address any residual Section 106 costs, which is in accordance with the assumptions included in previous viability assessments undertaken on behalf of the Council.
- 2.18 The Affordable Workspace Support – Evidence of Needs - Avison Young Study 2019 provides further detailed evidence that supports Policy P30 in relation to the viability of providing affordable workspace at low rent levels for different workspace typologies.
- 2.19 The Section 106 and CIL requirements are detailed in Section 3.
- 2.20 The viability analysis in the studies provides a high level understanding of the viability of potential development sites in the context of the cumulative impact of our emerging planning policies. Some sites may require more detailed site and scheme specific viability analysis when they come forward through the development management process. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.
- 2.21 Southwark generally requires a viability assessment for any planning application for which the provision of affordable housing and affordable workspace is required, to ensure the maximum viable amount is provided. Within the New Southwark Plan the fast track approach has been introduced, whereby if an applicant is providing the required amount of affordable housing at a policy compliant tenure split they qualify for fast track route and a viability assessment is not required.
- 2.22 This paper sets out all of these requirements, including any additional requirements, which will need to be reflected in an updated Section 106 and Community Infrastructure Levy SPD.

3. Current planning contributions

- 3.1 **Table 1** sets out the planning contributions and Section 106 requirements for developments within the New Southwark Plan and the Section 106 and Community Infrastructure Levy SPD (Section 106 and CIL SPD). There is a more detailed list within the Section 106 and CIL SPD.
- 3.2 **Table 2** sets out the Mayoral CIL2 and local CIL charges.
- 3.3 A number of these requirements have been subject to viability testing which is detailed in the table.
- 3.4 This is not an exhaustive list. Some of the requirements have set financial contributions, however, others are determined on a site by site basis depending on the impact the development will have. A number of these requirements are subject to viability which will be negotiated through the planning application process. Applicants are required to submit a financial viability assessment with their planning application (unless they are following the affordable housing fast track route – Policy P1) which will be considered by a viability consultant on behalf of the council and also published for public scrutiny.
- 3.5 The table also sets out contributions that are required in certain developments by the New Southwark Plan that are not formally a requirement within an adopted plan or SPD. These will be introduced within an update to the Section 106 and CIL SPD.

Planning contributions and Section 106 requirement in Southwark

Table 1: planning contribution and Section 106 requirements in Southwark

New Southwark Plan Policy	Requirement	Further comments on viability or inclusion in a supplement planning document
Policy P1- social rented and intermediate housing	35% affordable housing (tenure compliant). Subject to viability.	Viability for this policy is justified within the Viability Study 2017 (to be added again as a Core Document) and Viability Study 2019 . Also see Housing Background Paper .
Policy P2 – new family homes	Number of three bedrooms homes required.	Viability for this policy is justified within the Viability Study 2019 .

Policy P4 – private rented schemes	35% affordable housing (tenure compliant). Subject to viability.	Viability for this policy is justified within the Viability Study 2017 (to be added again as a Core Document) and Viability Study 2019 .
Policy P5 – student homes	10% easily adaptable student rooms for occupation by wheelchair users. Direct lets - 35% affordable housing (tenure compliant) or payment in lieu and 27% affordable student rooms. Nomination schemes – affordable student rooms and as much affordable housing / payment in lieu as viable. Subject to viability.	Viability for this policy is justified within the Viability Study 2017 (to be added again as a Core Document) and Viability Study 2019 .
Policy P6 – housing for older people	35% affordable housing (tenure compliant) in accordance with Policy P1 or specialist affordable accommodation for older people subject to need. Subject to viability.	Determined on a case by case basis.
Policy P7 – wheelchair accessible and adaptable housing	New build major residential development must meet Building Regulation M4(3) standard (Wheelchair User Dwellings) in at least 10% of homes (as measured in habitable rooms) and the remaining 90% must meet Building Regulation M4(2). Where those homes are affordable wheelchair user homes these meet Building Regulation M4(3b) standard (Wheelchair accessible dwellings).	Within the Section 106 and CIL SPD: Any shortfall in the required provision of onsite wheelchair housing will be charged at £10,000 per habitable room unit (based on £30,000 for a two bed three habitable room unit). The level of payment is based on the average cost of adapting properties in Southwark over the last four years to make wheelchair equivalent alterations. These changes include installing accessible kitchens, bathrooms, doors, levelled access and ramps. If the on-site units are not fully accessible, we need to be able to provide for this off site. The payments would be spent in partnership with Southwark Council's Adult Social Care team to fund projects for existing housing adaptations for

		people being housed in the community.
Policy P8 – houses in multiple occupation	Affordable housing contributions in accordance with Policy P1. Subject to viability.	Relates to Policy P1.
Policy P14 – residential design	Private amenity space Communal amenity space Child play space In Old Kent Road opportunity area provide 5 square metres of public open space per dwelling or payment in lieu of £205 per square metre as per Section 106 and CIL SPD.	Within the Section 106 and CIL SPD: Any shortfall in the required amount of child play space will be charged at £151 per square metre. On-site requirements: Houses: A minimum of 50square metre of outdoor private amenity space is required. The garden should be at least 10m in length and should extend across the entire width of the dwelling. Flats: A minimum of 50square metre of communal amenity space per development. For units containing three or more bedrooms 10square metre of private amenity space must be provided. For units containing two or less bedrooms, 10square metre of private amenity space should be provided. Balconies, terraces and roof gardens must be a minimum of 3square metre to count towards private amenity space. Any shortfall in the required provision of amenity space will be charged at £205 per square metre. £205 per square metre represents an average cost in Southwark for improving open space, taking into account all costs including fees and construction costs.
Policy P12 – design of places and Policy P15 – designing out crime	Design requirements and secured by design principles.	Within the Section 106 and CIL SPD: We will calculate planning obligations based on a list of items, for which costs are regularly updated to reflect changes in build

		<p>costs. Public realm improvements that may be necessary to make development acceptable include, but are not limited to, the provision of:</p> <ul style="list-style-type: none"> • Site specific contributions for carriageway surfacing • New or improved footways and/or hard or soft landscaping improvements • Replacing paving or landscape material on existing public realm including carriageway and footways • Street furniture, bins, bollards • Street lighting • Cycle stands • Tree and landscape planting and biodiversity mitigation and improvement measures • Signage • Public art • CCTV or other community safety measures
Policy P16 – tall buildings	<p>Provide a functional public space that is appropriate to the height and size of the proposed building; and</p> <p>Provide a publically accessible space at or near to the top of the building and communal facilities for users and residents where appropriate.</p>	Determined on a case by case basis.
Policy P22 – Archaeology	<p>Requirement is set out within the Section 106 and CIL SPD.</p>	<p>Within the Section 106 and CIL SPD:</p> <p>All developments within the archaeological priority zones (shown on the adopted policies map) requiring archaeological assessment and evaluation and/or excavations will be required to make a financial contribution towards our monitoring and supervisory role.</p>

		<p>The contributions sought will be relative to the scale of the development and based on the current cost of this service: £1,695 for under 100square metre of development; £3,389 for 101- 4,999square metre of development; £6,778 for 5,000 - 9,999square metre of development; £11,171 for 10,000 and more square metre of development.</p> <p>Consultation with Southwark’s archaeology officer may result in a change to these costs in certain circumstances.</p>
Policy P26 – education places	Where additional school places for new residents are needed, new school places must be provided.	<p>Within the Section 106 and CIL SPD: Determined on a case by case basis – through funded through CIL.</p>
Policy P27 – access to employment and training	Employment and training opportunities required or payment in lieu.	<p>Within the Section 106 and CIL SPD:</p> <p>Jobs during construction</p> <p>One job lasting a minimum 26 weeks for an unemployed Southwark resident per 500square metre GEA.</p> <p>One Southwark resident trained in pre or post employment short courses per 500square metre GEA. One new apprenticeship start or inwork NVQ per 2000square metre.</p> <p>Employment and training contribution (jobs during construction)</p> <p>Where the target number of sustained jobs, short courses or apprenticeships cannot be provided a contribution will be sought to be used by Southwark Council to provide equivalent opportunities in the local area to residents based on the following formula: Shortfall against target number of jobs lasting minimum 26 weeks for an</p>

		<p>unemployed Southwark resident x £4,300 (the average cost of supporting an unemployed Southwark resident into sustained employment).</p> <p>Shortfall against target number of Southwark residents trained in short courses x £150 (the approximate cost of a typical construction sector short course).</p> <p>Shortfall against target number of apprenticeship starts x £1,500 (the approximate cost of a typical construction sector Level 2 qualification).</p> <p>General and end-user phase (skills, training and employment)</p> <p>Skills and Employment Plan Targets For business use (B class) floorspace a target for the number of jobs lasting a minimum of 26 weeks for unemployed Southwark residents will be calculated at 10% of the estimated Full Time Employee (FTE) employment on site according to Homes and Community Agency (HCA) employment densities (see page 21) or an alternative measure agreed by the council. For retail use (A class) floorspace and hotels a target for the number of jobs lasting a minimum of 26 weeks for unemployed Southwark residents will be calculated at 20% of the estimated FTE employment on site according to HCA employment densities or another measure agreed by the council.</p> <p>Employment and training contribution An employment and training contribution will be sought, to be set at the target number of jobs lasting a minimum of 26 weeks for</p>
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		<p>unemployed Southwark residents, as set out above, multiplied by £4,300 (the average cost of supporting an unemployed Southwark resident into sustained employment). This will be used by the council to support borough residents to access local jobs and facilitate the delivery of the skills and employment plan.</p>
<p>Policy P29 – office and business development</p>	<p>In the Central Activities Zone, town centres, and opportunity areas and where specified in site allocations development must (inter alia):</p> <ol style="list-style-type: none"> 1. Retain or increase the amount of employment floorspace on site (Gross Internal Area (GIA) of B class use or sui generis employment generating uses); and 2. Promote the successful integration of homes and employment space in physical layout and servicing in areas that will accommodate mixed use development. <p>In exceptional circumstances, the loss of employment floorspace may be accepted where the retention or uplift in employment floorspace on the site is not feasible. This must be demonstrated through by a marketing exercise for two years immediately prior to any planning application.</p>	<p>Retention and increase in employment floorspace</p> <p>The 2017 Viability Study looks at the viability of mixed use developments as the New Southwark Plan policy P29 requires all development to reprovide employment floorspace where a scheme is being redeveloped to include residential and other uses. A number of the site allocations require full reprovion of the employment use on site or 50% of the development to be provided as employment floorspace, whichever is greater, to maximise the provision.</p> <p>The Study sets out that some schemes will be able to viably provide commercial floorspace in developments along with other policy requirements including affordable housing, however the degree to which this can be accommodated will differ from site to site and scheme to scheme.</p> <p>As the policy provides flexibility and requires applicants to provide evidence where proposed schemes cannot provide replacement commercial floorspace, along with the flexibility offered by our affordable</p>

	<p>Financial contribution towards training and jobs for local people where there is a loss of employment floorspace.</p>	<p>housing policy, which is subject to viability, this provides suitable flexibility to ensure that appropriate development, providing a suitable mix of uses to support the identified needs comes forward.</p> <p>The Office Background Paper also provides further justification of this policy requirement. It sets out a number of examples of planning applications that have come forward proposing significant uplift in B1 floorspace, showing that the trend for office development in the borough is increasing. This trend helps to achieve the targets for significant future growth in office development and help to mitigate past losses in employment floorspace. This is typical of economic cycles and strengthened planning policy helps to secure the growth of employment floorspace in appropriate locations. These include Canada Water Masterplan (18/AP/1604), Vinegar Yard (19/AP/0404) and Landmark Court (19/AP/0830). Additional details are set out in the background paper.</p> <p>Contributions for training and jobs</p> <p>Within the Section 106 and CIL SPD: Loss of employment floorspace £4,300 (average cost for a Southwark unemployed resident to gain support and training to get access to a skilled job) multiplied by the following: 10% number of FTE jobs that may have been provided in equivalent amount of (net) lost floorspace in the existing employment use class, according to HCA employment densities or</p>
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		agreed alternative measure.
Policy P30 – affordable workspace	Development of 500square metres GIA or more employment floorspace (B Class Use) to deliver at least 10% of the proposed gross employment floorspace as affordable workspace on site as discount market rents or payment in lieu.	<p>Further information is set out in the Offices Background Paper.</p> <p>Viability for this policy is justified within the Viability Study 2019. The policy requires a proportion of at least 10% of commercial floorspace to be provided as affordable workspace at discounted market rents. The Council expressed an interest in understanding the best approach to seeking payments in lieu of on-site Affordable Workspace and the calculator method outlined in the BNPPRE study is the recommended approach.</p> <p>The analysis sets out that viability of commercial schemes in the borough is an issue, but this is not owed to the Council’s policies but wider market factors. It supports the policy and states that it will provide suitable flexibility. This flexibility will provide an appropriate and sustainable balance of uses.</p> <p>The Affordable Workspace Support – Evidence of Needs - Avison Young Study 2019 provides further detailed evidence that supports Policy P30. It is based on 10% of the total space being delivered as affordable workspace, and focused on micro and small businesses. The study assesses 5 different typologies of deliver workspace which was then applied to the five study sub-areas: Southbank, Elephant and Castle, Canada Water, Camberwell and Peckham. These typologies were: Type 1 – Micro site mixed use office/light industrial and residential scheme; Type 2 – Medium office/light</p>

		<p>industrial scheme; Type 3 – Micro site light industrial and independent retail scheme; Type 4 – Large office scheme; and Type 5 – Large office/light industrial and residential scheme.</p> <p>The report recommends the discount on rent that is viable to ask for in each sub area for affordable workspace delivery based on viability evidence. The recommended discounts range from peppercorn rents to 25% discount off market rent depending on location and type proposed.</p>
Policy P40 – hotels and other visitor accommodation	A minimum of 10% of the floorspace must be provided as ancillary facilities in hotel developments that incorporate a range of daytime uses and offer employment opportunities.	
Policy P43 – broadband and digital infrastructure	Major development must enable the delivery of fibre to the premises (FTTP) broadband or equivalent technology for future occupants and users of the proposed development, with superfast speeds being the minimum offered; provide FTTP, or equivalent, connections to existing, poorly serviced properties in the vicinity of the development where there is an identified need.	We are considering these and they are not required at present.
Policy P52 – cycling	Development must, inter alia; Provide of cycle parking for building users and visitors. Contribute towards the provision of cycle hire schemes and docking stations. Financial contributions will be required from major developments that are	For any planning application requiring contributions towards cycle hiring scheme, this is determined by Transport for London and is negotiated during the pre-application and planning application process.

	<p>commensurate to the size and scale of the proposal.</p> <p>Provide a free two year cycle hire fob per dwelling where a docking station is within 400m of the proposed development.</p>	
<p>Policy P49 – highway impacts and P53 – car parking</p>	<p>Delivery and servicing bond and monitoring</p> <p>Development must, inter alia:</p> <p>Provide electric vehicle car charging points where on site parking is permitted.</p> <p>Provide a minimum of three years free membership, per eligible adult who is the primary occupier of the development, to a car club if a car club bay is located within 850m of the development; and/or contribute towards the provision of new car club bays proportionate to the size and scale of the development if it creates 80 units or more.</p>	<p>Determined on a case by case basis</p> <p>Within the Section 106 and CIL SPD:</p> <p>For large major developments, additional contributions to major infrastructure improvements not identified below may be sought to support the public transport network, such as a bus station or taxi rank. We will not use Section 106 planning obligations to help fund the strategic transport projects set out in the Regulation 123 list.</p> <p>A number of highway improvements may be necessary to make a development acceptable. We will calculate the Section 106 planning obligation based on a list of site specific items for which the costs are regularly updated to reflect changes in build costs. We will also seek to secure non-financial planning obligations to address the impact of a development proposal.</p> <p>Non-financial planning obligations may include:</p> <p>Car club initiatives and local travel plan groups: providing on-site parking for car club use, providing marketing about the availability of the car club and free membership for a period of years for residents of the development.</p>

		<p>Electric vehicle charging bays: provision of electric charging points in line with current adopted policy. Travel plan: preparation, submission and subsequent monitoring to ensure compliance</p> <p>Construction logistics plans and delivery and servicing plans should be secured in line with the London Freight Plan and should be coordinated with travel plans.</p> <p>For most development, on-site works, improvements to the surrounding road(s), travel plans and CIL funding will be enough to address any harmful transport impacts. However larger developments may need to directly contribute to wider transport improvements where required to make the delivery of the site possible. In addition planning contributions to fund Crossrail will be calculated in line with the Mayor's requirements as set out in the 'Use of Planning Obligations in the funding of Crossrail, and the Mayoral Community Infrastructure Levy' Supplementary Planning Guidance (April 2013).</p>
Policy P58 – green infrastructure	Large-scale major development must provide new publically accessible open space and green links.	Links to Policy P14 – residential design. We have considered this and it is not required at present. Old Kent Road is an exception as detailed above at Policy P14.
Policy P59 – biodiversity	Development must contribute to new gains in biodiversity. Any shortfall in net gains in biodiversity must be secured off site through planning obligations or as a financial contribution.	Within Section 106 and CIL SPD. We will calculate planning obligations based on a list of items, for which costs are regularly updated to reflect changes in build costs.
Policy P60 – trees	Where trees are to be removed to facilitate development, they should	Within Section 106 and CIL SPD. We will calculate planning obligations based

	<p>be replaced by new trees which result in no net loss of amenity, taking into account canopy cover as measured by stem girth; either:</p> <p>Within the development whereby valuation may be calculated using the Capital Asset Value for Amenity Trees (CAVAT) methodology or other assessment; or</p> <p>If this is not possible, outside the development. In this case a financial contribution must be provided to improve borough tree planting located according to the 'right tree right place' principles. The financial contribution will include ongoing maintenance costs where trees are planted in the public realm.</p>	<p>on a list of items, for which costs are regularly updated to reflect changes in build costs.</p>
Policy P64 – improving air quality	<p>Any shortfall in air quality standards on site must be secured off site through planning obligations or as a financial contribution.</p>	<p>Within Section 106 and CIL SPD.</p> <p>Determined on a case by case basis where there are identified direct impacts from development.</p>
Policy P69 – energy	<p>Major development must reduce carbon dioxide emissions on site by:</p> <p>100% on 2013 Building Regulations Part L standards for residential development; and</p> <p>A minimum of 40% on site reduction on 2013 Building Regulations Part L and zero carbon (100%) for non-residential developments.</p> <p>Any shortfall against carbon emissions reduction requirements must be secured off site through planning obligations or as a financial contribution.</p>	<p>Within Section 106 and CIL SPD.</p> <p>10 or more residential units or residential schemes providing 1000square metres or more of floorspace (GIA) (whichever is the smaller) and including live work units.</p> <p>Development providing a net increase of 1,000square metres or more of non-residential floorspace (GIA). Where development schemes propose mixed use floorspace the combined total of this floorspace will be counted.</p> <p>This charge will be monitored and if appropriate updated in line with changes in government guidance.</p>

		<p>The shortfall in CO2 reduction will be charged at £1,800 per tonne of carbon dioxide.</p> <p>£1,800 represents £60 per tonne calculated over 30 years.</p> <p>This is being considered by the Council at present and there will be an amendment for consultation in the autumn.</p>
<p>Policy IP3 – community infrastructure levy (CIL) and Section 106 planning obligations</p>	<p>We will ensure that any potential adverse impact that makes a proposed development unacceptable will be offset by using Section 106 legal agreements that requires the developer to either a) offset the impact or b) pay the council a financial contribution to enable the council to offset the impact. The council will secure money from the community infrastructure levy (CIL) to fund the essential infrastructure identified by the council in our Regulation 123 list.</p>	<p>Detailed within the Section 106 and CIL SPD.</p>
Other Section 106 planning contributions		
<p>Section 106 administration fee</p>		<p>Within Section 106 and CIL SPD:</p> <p>An administration charge of 2% will be applied, which excludes all legal costs associated with the preparation of an actual section 106 agreement.</p>
<p>Affordable housing monitoring fee</p>	<p>Payment for affordable housing monitoring.</p>	<p>This needs to be updated within the Section 106 and CIL SPD. This money will be used to fund the affordable housing monitoring project that is on-going. This also goes towards the updating of London Development Database which requires monthly updates to the Greater London Authority.</p>

		Payment: £132.35 per affordable dwelling. Developments have been forthcoming in providing this.
Integrated Water Management Strategy Payment OKRAAP		Determined on a case by case basis where there are identified direct impacts from development.
CMP charges for highways	We have considered this and it is not required at present.	We have considered this and it is not required at present.
London Living Wage	We have considered this and it is not required at present.	We have considered this and it is not required at present.
TfL bus contribution (links to Policy P49 above)		For any planning application that requires bus contributions, this is determined by Transport for London and is negotiated during the pre-application and planning application process.
Old Kent Road highways contributions (links to Policy P53 above)		As set out in the Addendum to the Section 106 and CIL SPD 2015 relating to the Old Kent Road opportunity Area, across the opportunity area Section 106 planning obligations will be sought where necessary to mitigate the impact of development, in line with the approach set out in the adopted Section 106 Planning Obligations and CIL SPD (2015). This will include the need to mitigate the impact of development on transport capacity, including through improvements to surface public transport and facilities for people walking and cycling, prior to the delivery of the Bakerloo Line extension which is projected to be around 2030.

CIL requirements in Southwark (Mayoral and local)

Table 2: Community Infrastructure Levy requirements

Mayoral and Southwark CIL charges		
Mayoral Community Infrastructure Levy	<p>MCIL1 applies to CIL liable developments granted planning permission on or after 1 April 2012, which is used by the Mayor of London to fund the delivery of Crossrail. For developments in Southwark, the Mayoral CIL1 rate is £35 per square meter plus indexation.</p> <p>The MCIL2 rates apply to all planning permissions granted from 1 April 2019 and may also apply to some phased planning permissions granted before the 1 April 2019.</p> <p>For developments in Southwark, the Mayoral CIL2 rate is £60 per square meter plus indexation. There is a separate charge for Central London, which includes the northern part of the borough for offices, retail and hotel uses, these are:</p> <ul style="list-style-type: none"> • Office - £185 per square metre • Retail - £165 per square metre • Hotel - £140 per square metre <p>Further information can be found in the MCIL Charging Schedule and the map of Central London can be found at Figure 2 within the Schedule.</p>	
Southwark CIL Charging Schedule 2017	<p>The charges were updated in the 2015 CIL rates. The 2017 CIL charging schedule was tested in the Old Kent Road Opportunity Area Viability Study (April 2016).</p>	
Development type	Zone *	CIL Rate £ per square metre
Office	Zone 1	£76
	Zones 2-3	£0
Hotel	Zone 1	£272
	Zones 2-3	£136
Residential	Zone 1	£435
	Zone 2	£218
	Zone 3	£54

Student housing – direct let**	Zones 1-3	£109
Student housing – nominations***	Zones 1-3	£0
All retail(A1-A5 & sui generis akin to retail)****	Zones 1-3	£136
Town centre car parking*****	Zones 1-3	£0
Industrial and warehousing	Zones 1-3	£0
Public libraries	Zones 1-3	£0
Health	Zones 1-3	£0
Education	Zones 1-3	£0
All other uses	Zones 1-3	£0
<p>*zones are mapped within the CIL Charging Schedule (December 2017)</p> <p>**direct let student housing schemes – market rent levels</p> <p>***nomination student housing schemes – rental levels set below an average of £168 per week and secured through a Section 106 planning obligation</p> <p>****Sui generis akin to retail includes petrol filling stations; shops selling and/or displaying motor vehicles; retail warehouse clubs</p> <p>*****Town centre car parking which is made available to all visitors to the town centre</p>		

3.6 The CIL payment is non-negotiable. Further guidance on CIL and CIL exemptions is set out within the [Southwark CIL Charging Schedule 2017](#).

4. Schemes providing compliant Section 106 planning contributions and CIL

- 4.1 **Table 3** provides details of schemes that have met the requirements for Section 106 planning contributions and the community infrastructure levy payments for Mayoral CIL and local CIL. These schemes have also been developed and completed. This shows that these requirements are deliverable.
- 4.2 There are also a number of other schemes that have recently been approved with these Section 106 and CIL contributions agreed within the Section 106 agreement. However, as they have been approved more recently they have not been started or completed. These are set out at **Table 4**.

Section 106 and CIL agreed within completed schemes

Table 3: Completed mixed use schemes and associated Section 106 planning contributions and CIL

Schemes that have been completed and Section 106 agreements delivered			Section 106 agreement (this is not an exhaustive list)
Scheme reference – address	Section 106 Agreement Signed Date	Description of development	
09/AP/1098 – Bermondsey Spa Site G, 80-118 Spa Road, London, SE16 3QT	17 September 2009	Demolition of existing buildings and erection of a mixed use development comprising two 5-storey buildings to provide for 856 square metres of commercial floorspace (use classes A1-A5) at ground floor level, and 48 residential units (12 x 1 bed, 9 x 2 bed 3 person, 19 x 2 bed 4 person and 8 x 3 bed) above, cycle and car parking, amenity space and ancillary plant and equipment.	Admin costs 50% affordable housing by unit Wheelchair accessible affordable housing units Archaeology contribution Car club scheme for 12 months Education contribution Health contribution Public open space, children's play space equipment and sports development contribution Public realm improvements contribution Site specific transport contribution Strategic transport contribution Traffic Management Order contribution WPC management contribution

10/API/2849	–	13 January 2011	Redevelopment of the former public house site with a part five and part six storey building to provide 19 residential flats (14 x 2 bed, 4 x 3 bed and 1 x 4 bed) with communal rooftop amenity space and internal refuse and cycle storage.	<p>Workplace co-ordinator contribution</p> <p>Admin costs</p> <p>37% affordable housing by unit</p> <p>Communities facilities contribution</p> <p>Car club</p> <p>Construction workplace co-ordinator contribution</p> <p>Disabled car space contribution</p> <p>Education contribution</p> <p>Health contribution</p> <p>Public open space, children's play equipment and sports' development contribution</p> <p>Public realm improvement contribution</p> <p>Site specific transport contribution</p> <p>Strategic transport contribution</p> <p>Traffic Management Order contribution</p>
12/API/2444	–	27 November 2012	Demolition of existing buildings and erection of two buildings, one at 286-304 Camberwell Road (blocks A & B) ranging in height from four to seven storeys comprising 616 square metres of commercial floorspace (Use Classes A1 shops, A2 financial/professional services, B1 business and/or D1 non-residential institutions) and 57 residential units (26 x 1	<p>CIL</p> <p>Admin costs</p> <p>36% affordable housing by unit</p> <p>Archaeology contribution</p> <p>Construction workplace co-ordinator and employment contribution</p> <p>Construction workplace co-ordinator management contribution</p> <p>Communities facilities contribution</p> <p>Education contribution</p>

		<p>bed, 26 x 2 bed and 5 x 3 bed) plus 5 disabled car parking spaces, the other at 272-274 Camberwell Road and Medlar Street (blocks C & D) ranging in height from three to four storeys and comprising 62 square metres of commercial floorspace (Use Classes A1, A2, B1 and/or D1) and nine residential units (3 x 3 bed and 6 x 4 bed), and with balconies, terraces, gardens and / or communal amenity space and roof garden, bicycle spaces, refuse/recycling storage and access. (Total 678 square metres of commercial floorspace (Use Classes A1, A2, B1 and/or D1) and 66 residential units (26 x 1 bed, 26 x 2 bed, 8 x 3 bed and 6 x 4 bed))</p>	<p>Health contribution</p> <p>Non-discounted education contribution</p> <p>Public open space, children's play equipment and sports' development contribution</p> <p>Public realm improvements contribution</p> <p>Site specific transport contribution</p> <p>Strategic transport contribution</p> <p>Traffic Management Order contribution</p> <p>Wheelchair accessible affordable housing units</p> <p>Three year car club membership</p>
<p>14/API/4905 - Old Kent Road, SE1 5EW</p>	<p>30 March 2015</p>	<p>The erection of a part four, part five and part six storey building to provide 43 residential flats (8 x one-bed, 26 x two-bed and 9 x three-bed), with associated car parking, cycle and refuse store and amenity space.</p>	<p>Admin costs</p> <p>37% affordable housing by unit – 50% intermediate and 50% social rented</p> <p>Archaeology contribution</p> <p>3 years car club membership</p> <p>Construction workplace co-ordinator and employment contribution</p> <p>Construction workplace co-ordinator management contribution</p> <p>Community facility contribution</p>

		<p>Education contribution</p> <p>Health contribution</p> <p>Public open space, children's play equipment and sports development contribution</p> <p>Public realm contribution</p> <p>Site specific transport contribution</p> <p>Strategic transport contribution</p> <p>Wheelchair accessible affordable housing</p>
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Section 106 and CIL agreed within approved schemes

Table 4: Approved mixed use schemes and associated Section 106 planning contributions and CIL

Schemes that have been approved and Section 106 agreements signed but development has not yet been completed		
Scheme reference – address	Section 106 Agreement Signed Date	Description of development
18/AP/0897 – Land bounded by Old Kent Road, Ruby	6 June 2019	Full planning permission is sought for demolition of existing buildings and structures on the site, and redevelopment consisting of three buildings at maximum heights of 17
		Section 106 agreement (this is not an exhaustive list)
		<p>CIL</p> <p>Admin costs</p> <p>40.5% affordable housing by habitable room</p> <p>Affordable housing monitoring contribution</p>

Triangle and Sandgate Street, London, SE15		storeys (including mezzanine) (+64.735m AOD), 48 Storeys (+170.830m AOD) and 40 storeys (including mezzanine) (+144.750m AOD), plus single storey basement under part of the site. Development would provide 1,152 residential dwellings (Class C3), retail, business and community spaces (Classes A1, A2, A3, A4, B1(a),(b),(c) and D1), public sports hall and gym (Class D2), public and private open space, formation of new accesses and alterations to existing accesses, energy centre, associated car and cycle parking and other associated works. (REVISED DESCRIPTION)	Affordable workspace (£8 per sqft + 50p sqft service charge, 1 year rent free and secured for 30 years) Carbon Green Fund contribution Archaeology contribution Bicycle provision Bus contribution Car club scheme Communal amenity space and shortfall contribution Construction industry employment and training shortfall contribution Default employment in the end use contribution Delivery and service cash deposit Delivery and service monitoring fee Loss of employment floor space contribution Public open space, children's play and sports facilities contribution Public realm works Wheelchair dwellings Wheelchair parking spaces
19/AP/2198 - Suffolk House 127-129 Great Suffolk Street and 131 Great	31 October 2019	Partial demolition, retention and refurbishment of the existing buildings onsite and extensions to the existing building of between 1 and 4 storeys to provide a total of 7,301 square metres of gross internal commercial space	CIL Admin Affordable workspace (£36.55 per square foot, 50p per square foot service charge and secured for 30 years) Archaeology

Suffolk Street, London		(Use Class B1a) and associated alterations.	Construction industry employment and training shortfall contribution Default employment in the end use contribution Employment in the end use contribution
17/AP/1646 – 634-636 Old Kent Road. London, SE15	30 November 2017	Demolition of the existing buildings to facilitate the redevelopment of the site to create 42x residential units and 272 square metres (GIA) of flexible commercial floorspace (Class A1/A2/A3/B1) in a new building of between three and six storeys in height, together with disabled car parking, cycle parking, landscaping, plant, and associated works.	CIL Admin 35% affordable housing by habitable room Agreed carbon targets Archaeology contribution Car club scheme Carbon Green Fund contribution Children's play space contribution Loss of employment floorspace contribution NOx offsetting contribution Particulate offsetting contribution