

SECTION 106 AND COMMUNITY INFRASTRUCTURE LEVY

**SUPPLEMENTARY
PLANNING DOCUMENT (SPD)**

FOREWORD

New developments can bring significant benefits to our borough, so long as we are clear about our expectations in planning policy, and have the right processes in place for monitoring our requirements and delivering any in lieu provision.

This new Supplementary Planning Document (SPD) aims to support our policies as set out in the Southwark Plan, giving further guidance across key thematic areas and updating the rates for in lieu payments, to ensure that we can better meet the cost of delivery and monitoring.

Among other things, this document provides viability-tested figures for affordable housing in lieu payments whilst reiterating that our preference is always for on-site delivery. It also significantly uprates the amount required for payments in lieu of play provision.

We are currently going through our latest round of CIL allocations which will invest around £20m in our local communities on top of Strategic CIL funding which is boosting public transport and boroughwide infrastructure. Along with S106 funding, these investments are transforming our borough, helping us to address inequalities and deliver on our Southwark 2030 goals. These are improvements to parks, playgrounds, streets and train stations, that would not happen without sustainable growth. For more detail on how this funding is spent, I would encourage readers to also go through our latest Infrastructure Funding Statement which provides a list of recently funded projects including the Nunhead Cemetery East Lodge Restoration Project, Improvements to Fredericks Playground, Victory Community Park and Tree Planting around SE1 and SE16. By bringing forward this SPD, we are ensuring that we can secure even greater benefits for Southwark neighbourhoods over the coming years.



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1. INTRODUCTION

This section provides an overview of the Supplementary Planning Document. It sets out how Section 106 planning obligations and Community Infrastructure Levy (CIL) are used and how they differ. It includes a summary of the financial and non-financial Section 106 planning obligations which may be required.

1.1 Overview

This Supplementary Planning Document (SPD) provides detailed guidance on the use of Section 106 planning obligations and the community infrastructure levy.

It sets out:

- The requirements for mitigating any impacts of development using Section 106 planning obligations and CIL.
- How Section 106 (S106) planning obligations arise and are secured.

Development should meet the requirements set out in the Southwark Plan 2022, unless material considerations indicate otherwise. However, it is acknowledged that this may not be possible in all cases.

This SPD sets out that impacts from a development must be mitigated on-site or off-site. Where this is not possible, a financial contribution may be required in accordance with the National Planning Policy Framework.

This SPD replaces the S106 Planning Obligations and CIL SPD (2015), amended in November 2020.

1.2 What is a Section 106 planning obligation?

Section 106 planning obligations are used to mitigate the impacts of a development. They are usually contained in a legally binding Section 106 agreement between a council and parties with a legal interest in the land which planning permission has been applied. A unilateral undertaking may also be entered into without the local planning authority.

Planning obligations can be used to specify the nature of development, compensate for loss or damage by a development or secure financial contributions. Almost all development has some impact on the need for infrastructure, services and amenities.

All Section 106 planning obligations must meet the tests set out in Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended). This states that a planning obligation may only be a reason for granting planning permission for the development if they are:

- 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.

If a change is made to an approved planning application, planning obligations in the legal agreement may need to change. Where that is required by the council, this will be done by a deed of variation.

1.3 How is indexation applied?

To ensure all Section 106 planning obligations continue to cover the actual cost of delivering infrastructure, they will be subject to indexation. The council will use the Building Cost Information Service Index (BCIS) General Building Costs Index for section 106 planning obligations relating to construction, or Consumer Price Index (CPI) for all other S106 planning obligations.

Indexation is applied from the date of the Section 106 legal agreement being signed and it can only increase. Legal clauses to secure the indexation of the amounts agreed will be included in the Section 106 planning obligation. Indexation is calculated using the formula below:

(£ S106 financial contribution) × (Indexation rate at the date the financial contribution is due) divided by (Indexation rate on the date of the Section 106 Legal Agreement)

1.4 How are Section 106 planning obligations spent?

The money is spent on projects in accordance with the purposes for which they have been paid. Infrastructure Funding Statements identify projects for CIL and funding from Section 106 planning obligations¹. The total money received from CIL and S106 during the reported year is in the council's [Infrastructure Funding Statement](#). This also sets out the projects funded from Section 106 planning obligations.

1 The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019).

1.5 Section 106 planning obligations fees

Tables 1-5 summarise the financial Section 106 planning obligations and Table 6 summarises the non-financial Section 106 planning obligations the council expects.

These are based on policy requirements from the Southwark Plan 2022 and London Plan 2021.

Application types

- Minor applications: 1-9 homes; 0-999 sqm commercial floorspace
- Small scale major applications: 10-49 homes; 1,000-3,499 sqm commercial floorspace
- Large scale major applications (lower range): 50-99 homes; 3,500-9,999 sqm commercial floorspace
- Large scale major applications (update range): 100 or more homes; 10,000 sqm and over commercial floorspace

Financial obligations

Section 106 administration and compliance fee and Community Infrastructure Levy (CIL)

Type of fee	Minor applications	Small scale major applications	Large scale major (lower range) applications	Large scale major (higher range) applications
Section 106 administration and compliance fee	£1,000	£5,000	£15,000	£20,000
Community Infrastructure Levy (CIL) (included in the CIL charging schedule)	Case by case basis	Case by case basis	Case by case basis	Case by case basis

Table 1: Section 106 administration and compliance fee and Community Infrastructure Levy (CIL)

S106 Submission Fees where council approval is required

Technical fee	£561.50 to make a planning decision or approval of a matter within a Section 106 agreement which needs a planning decision or approval.
Non-technical or notification fee	£116 to record notifications where no decision is needed, but where a fact needs to be noted and recorded. These will usually be milestones in the development, such as confirmation of implementation or that a specific action has occurred.
Non-compliance fee	Additional charge of £300 if a S106 clause has not been discharged and the S106 team have to notify the developer. This is in addition to the cost for discharging a planning obligation. Any follow up correspondence and enforcement action will be charged at £120 per hour plus disbursements and costs.

Table 2: Submission fees

Monitoring and Compliance fees

Type of fee	Minor applications	Small scale major applications	Large scale major (lower range) applications	Large scale major (higher range) applications
Travel Plan	Not applicable	£2,790 per applicable application	£2,790 per applicable application	£2,790 per applicable application
Delivery and Servicing Management	Not applicable	£2,790 per applicable application	£2,790 per applicable application	£2,790 per applicable application
Biodiversity Net Gain monitoring fee (if assessed as significant)	From £12,874	From £12,874	From £12,874	From £12,874
Construction and Environment Management Plan	Not applicable	£2,100 per application plus fee calculated on a case-by-case basis.	£3,200 per application plus fee calculated on a case-by-case basis / and or 1,000+sqm of commercial space. An additional fee will also be due, calculated on a case by case basis.	£3,200 per application plus fee calculated on a case-by-case basis / and or 1,000+sqm of commercial space. An additional fee will also be due, calculated on a case by case basis.
Affordable housing monitoring fee	£150 per affordable home	£150 per affordable home	£150 per affordable home	£150 per affordable home

Table 3: Monitoring and Compliance fees

Specialist technical support fees

Type of fee	Minor applications	Small scale major applications	Large scale major (lower range) applications	Large scale major (higher range) applications
Supporting the local economy	£3,710 charged to applications which are required to provide jobs and training and / or affordable workspace	£3,710 charged to applications which are required to provide jobs and training and / or affordable workspace	£3,710 charged to applications which are required to provide jobs and training and / or affordable workspace	£3,710 charged to applications which are required to provide jobs and training and / or affordable workspace
Construction and highways	Not applicable	Network management fee post-approval	Network management fee post-approval	Network management fee post-approval
Conservation and restoration management	£3,598	£7,196	£7,196	£7,196
Tree monitoring and management	£275 per new tree planted which requires protection, management or maintenance.			

Type of fee	Under 100sqm	101 - 3,499sqm	3,500 - 9,999sqm	10,000sqm and above
Archaeology	£3,598 - £4,360	£7,196 - £8,635	£9,624 - £11,549	£14,391 - £17,270

Table 4: Specialist technical support fees

Payment in lieu if the policy requirement cannot be met on site

Type of fee	Minor applications	Major applications
Social rented and intermediate homes	Number of habitable rooms x 0.35 x £ per habitable room (depending on CIL zone)	Number of habitable rooms x 0.35 x £ per habitable room (depending on CIL zone)
Social rented and intermediate homes	Per habitable room: CIL Zone 1 & 2 - £100,000; CIL Zone 3 - £82,000	Per habitable room: CIL Zone 1 - £250,000; CIL Zone 2 - £130,000; CIL Zone 3 - £100,000
Self and custom build homes	£30,000 per habitable room (all CIL zones)	£30,000 per habitable room (all CIL zones)
Wheelchair accessible homes	Not applicable	Number of habitable rooms required x £10,000
Jobs and training in construction	Not applicable	Shortfall x £200 (short courses) / £2,000 (apprenticeships) / £5,500 (employment during construction) (not applicable to developments under 500 sqm GEA)
Jobs in completed developments	Not applicable	Shortfall against required number of jobs for unemployed Southwark residents lasting minimum 26 weeks x £5,500
Net zero carbon development	Not applicable	£95 per tonne of carbon x Total Carbon shortfall x 30 years
Air quality neutral standards	Excess emissions above the benchmark (tonnes/ annum) x the damage costs (£/tonne) over a 30 year period, with a 2% annual uplift Exemptions for applications are set out in the Air Quality Neutral LPG guidance.	Excess emissions above the benchmark (tonnes/ annum) x the damage costs (£/tonne) over a 30 year period, with a 2% annual uplift Exemptions for applications are set out in the Air Quality Neutral LPG guidance.

Type of fee	Minor applications	Major applications
Tree Compensation	Calculated using the CAVAT methodology, UBoC model or other assessment agreed by the council.	Calculated using the CAVAT methodology, UBoC model or other assessment agreed by the council
Affordable Workspace	Use affordable workspace calculator	Use affordable workspace calculator
Loss of employment floorspace	10% potential jobs lost: £5,500 per job	10% potential jobs lost: £5,500 per job
Amenity, play space and open space	Shortfall in amenity space, child play space or open space (sqm) x £325	Shortfall in amenity space, child play space or open space (sqm) x £325
Social, community and other infrastructure	Case by case basis	Case by case basis
Transport, public realm and highways	Case by case basis. Specific fees apply for Old Kent Road Opportunity Area.	Case by case basis. Specific fees apply for Old Kent Road Opportunity Area.

Table 5: Payment in lieu if the policy requirement cannot be met on site

* Major development includes major residential development (10 or more homes), student housing, co-living developments, and private rented homes.

Non-financial section 106 planning obligations

Type of obligation	Minor applications	Major applications
Affordable housing (on site) including student housing (P1, P3-P7, P9)	All housing developments must provide social rented and intermediate housing	All housing developments must provide social rented and intermediate housing
Wheelchair accessible homes (P8)	All housing development must provide wheelchair accessible homes	All housing development must provide wheelchair accessible homes
Affordable workspace (P31)	Commercial development over 500sqm (including extensions) must provide 10% affordable workspace	Commercial development over 500sqm (including extensions) must provide 10% affordable workspace
Jobs in completed developments (P28)	Not applicable	All non-residential floorspace (over 2,500 sqm) is required to provide employment and training for unemployed Southwark residents
Local procurement (P28)	Not applicable	Development over 1,000 sqm must prioritise local business for the procurement of goods and services
Net zero carbon development (P70)	Not applicable	Residential: reduce carbon emissions by 100% on Part L 2021 Non-residential: reduce carbon emissions by 40% on Part L 2021 Secure agreed % reduction against Part L Building Regulation in line with the energy hierarchy within P70 Energy of the Southwark Plan.
Biodiversity Net Gain (BNG) (if assessed as significant) and ecological management (P59-P61)	Minimum 10% Biodiversity Net Gain (BNG) on all development sites (with limited exceptions)	Minimum 10% Biodiversity Net Gain (BNG) on all development sites (with limited exceptions)
Amenity space, play space and open space (P13-P15)	Southwark Plan 2022 policies P13-15 and P57 and London Plan 2021 policies D6, H16 and S4 set out the requirements	Southwark Plan 2022 policies P13-15 and P57 and London Plan 2021 policies D6, H16 and S4 set out the requirements
Social, community and other infrastructure (P17, P27, P45-P47)	Southwark Plan policies P17, P27 and P45-P47 and London Plan S1-S3, S5 and HC5 set out requirements	Southwark Plan policies P17, P27 and P45-P47 and London Plan S1-S3, S5 and HC5 set out requirements
Sustainable transport, public realm and highways (IP2, P13, P45, P50-P55, P65)	Transport obligations will consider location, connectivity, walking, cycling, public transport and highways impact	Transport obligations will consider location, connectivity, walking, cycling, public transport and highways impact
Business relocation strategy (P32-P33)	Developments that displace small or independent businesses	Developments that displace small or independent businesses

Table 6: Non-financial section 106 planning obligations

1.6 What is Community Infrastructure Levy (CIL)?

CIL is charged per square metre of floorspace. It is applied to new developments over 100 square metres Gross Internal Area (GIA)² and to development that creates a dwelling. CIL charges are based on the size and type of new development. Some developments do not have to pay CIL, such as some types of affordable housing.

CIL allows local authorities in England and Wales to raise funds from developers undertaking new development. It can be used to fund a wide range of local and strategic infrastructure to support growth in the borough.

1.7 Southwark CIL

Southwark is a CIL charging authority. The council's CIL is set out in the adopted [CIL charging schedule](#). This is based on the amount of CIL needed to support growth. The schedule shows how much each development must pay. It also includes a map of the CIL charging zones and where they apply.

Southwark Council increases the CIL rates annually through Building Cost Information Service (BCIS), as required by the CIL Regulations. This is published on the Southwark website in the [Southwark Annual CIL Rate Summary](#).

The council's instalment policy follows the GLA instalment policy:

For schemes under £100,000, CIL is due in full within 60 days of commencement.

- For schemes over £100,000, the first CIL instalment is due within 60 days of commencement. The second instalment is due within 240 days of commencement.
- For schemes where CIL is not paid in full on time, this is due immediately by the developer.

Further information is on [the council's CIL webpage](#).

1.8 Local CIL

The CIL regulations (amendment) 2014 require an amount of CIL to be spent locally. This is 15% with a cap at £100 per council tax dwelling. For areas with an adopted Neighbourhood Plan¹ the amount is 25% with no cap.

Southwark Council will spend 25% of CIL at a local level, whether there is an adopted Neighbourhood Plan¹ or not. It will be allocated in accordance with council policy.

1 As set out in the Neighbourhood Planning (General) Regulations 2012.

2 The Royal Institute of Chartered Surveyors (RICS) Code of Measuring Practice is used to define GIA. Existing floor area is measured inside the internal perimeter wall using scaled floor plans. If there are no scaled plans of the existing buildings, no discount for existing floorspace will apply.

1.9 Mayoral CIL

As well as Southwark CIL, the Mayor of London charges CIL (MCIL) to deliver London-wide infrastructure. Southwark Council collects Mayoral CIL on behalf of the Mayor. Further information can be found using [this link](#).

1.10 How is CIL paid?

CIL is payable on commencement, which is the earliest date material operation¹ takes place on the site. For retrospective planning applications, commencement is the day that planning permission was granted.

Phased planning permissions are considered as separate chargeable developments. Each phase or stage must be set out in the planning permission with a clear CIL phasing plan.

Phasing must clearly relate to specific parts of construction or development, such as construction of a building. It cannot be used to artificially sub-divide development.

Phasing will only be appropriate for large-scale major development. It will not be appropriate to minor development.¹

1.11 How is CIL spent?

Most Strategic CIL in Southwark is spent on new transport infrastructure. It also funds new schools, community infrastructure, health, biodiversity and parks. Projects funded by CIL and Section 106 planning obligations are set out in the council's annual [Infrastructure Funding Statement](#).

Refer to the council's website for further information about Southwark Council's spending on CIL on projects.

The council decides on the expenditure of CIL on projects identified in its annual Infrastructure Funding Statement. The release of these funds is approved by Cabinet.

Local CIL can be used to fund both infrastructure and non-infrastructure projects, provided it is related to the demands that development places on the area.

1 This is defined at <https://www.legislation.gov.uk/ukpga/1990/8/section/56/2013-04-16>

2. FINANCIAL AND NON-FINANCIAL SECTION 106 PLANNING OBLIGATIONS

This section provides more detail on the type of financial and non-financial obligations which may be required as a result of development. It is not an exhaustive list. Each section sets out a relevant policy requirement in the Southwark Plan 2022 and what may be the corresponding contribution that may be required to mitigate the impact of development.

2.1 Social rented and intermediate homes

The Southwark Plan 2022 social rented and intermediate homes policies are P1, P3-P7 and P9. London Plan 2021 policies are H1, H2, H4, H5, H6, H7, H11, H12, H13, H15 and H16.

All housing developments, including conversions, must provide social rented and intermediate housing. This includes student accommodation, co-living and houses in multiple occupation. This should be provided on site, or off site where this is not possible.

In exceptional circumstances, a financial contribution will be required to fund new affordable housing in Southwark. The payment will equate to the maximum viable amount of affordable housing and should not result in any financial benefit to the applicant.

The formula for the expected Section 106 financial obligation is:

The total number of habitable rooms across the development (all tenures and types) × 0.35 (minimum 35% provision) × £ per habitable room in the CIL value area.¹

Refer to Table 5 for the financial obligations based on Southwark's CIL Zones.

Affordable housing requirements are set out in Section 106 planning obligations. This will include:

- Trigger points for specific contributions (i.e when delivery of affordable housing must be delivered by);
- The number and type of affordable housing on site (affordable housing and tenure mix); and
- When any payment of an affordable housing financial contribution is due (if applicable).

Applicants are required to submit the [Affordable Housing Monitoring Schedule](#) and provide data to the council for its Annual Affordable Housing Audit. Information on the housing mix will be required for the different stages of the development.

¹ A habitable room is defined as a room with a window within a dwelling that is intended to be used for sleeping, living, cooking or dining, regardless of what it is actually used for.

2.2 Wheelchair accessible homes

Southwark Plan 2022 policies P5 and P8 and London Plan policies D7 and E10 set out the policy requirements for wheelchair accessible homes.

All housing developments, including conversions, must provide wheelchair accessible homes. Sometimes this cannot be provided on the development site or off-site. A financial contribution may be required to build wheelchair accessible homes on another site in Southwark. The formula for the section 106 financial contribution is:

Number of habitable rooms required for the wheelchair accessible homes × £10,000.

The applicant is required to submit additional information in the [Affordable Housing Monitoring Schedule](#). A wheelchair accessible homes parking plan and allocation strategy must be provided.

2.3 Affordable workspace

Southwark Plan 2022 policy P31 and London Plan 2021 policies E2 and E3 set out the policy requirements for affordable workspace.

Any new employment space over 500 sqm must provide a minimum of 10% affordable workspace for 30 years at a discounted cost. Where the council accepts that this cannot be provided on the development site or off-site, a financial contribution will be required to fund the provision of affordable workspace on another site in Southwark.

The formula for the payment is calculated using the council's [Affordable Workspace Calculator](#).

The applicant will be required to submit an Affordable Workspace Strategy for approval by the council. An Annual Affordable Workspace Strategy Monitoring Report must be submitted on or immediately before 1 year of first occupation and each subsequent year for the whole term of the lease.

2.4 Business relocation

Southwark Plan 2022 policies P32 and P33 and London Plan 2021 Policies E2 and E8 set out the requirements for small shops and business relocation.

Business Relocation strategies must be submitted with planning applications for developments which may displace small or independent businesses. Guidance on how to prepare a Business Relocation Strategy is [here](#).

This does not require the applicant to pay compensation. It is an obligation on the developer to use reasonable endeavours to help to successfully relocate small or independent businesses operating on the development site. A final version of the Business Relocation Strategy is required once planning permission is granted.

2.5 Jobs and training in construction

Southwark Plan 2022 policy P28 and London Plan 2021 policy E11 set out the requirements for access to employment and training in construction.

Development proposals for sites with 5,000sqm (GEA) of new or improved floorspace will be required to provide training, apprenticeships, and employment on-site. Where the council accepts that this is not possible on site, a financial contribution will be required instead, as per Table 7.

Type	On-site requirements	Financial Contributions
Short courses	For every 500 sqm (GEA), one Southwark resident trained on a short course.	£200 per resident not trained against the target
Apprenticeships	For every 2,000sqm (GEA), one new apprenticeship.	£2,000 per apprenticeship not delivered against the target
Jobs during construction	For every 500 sqm (GEA), one unemployed Southwark resident is employed for a minimum of 26 weeks.	£5,500 per unemployed Southwark resident not employed against the target

Table 7: Requirements for training, apprenticeships and jobs

Modern Methods of Construction (MMC) are sometimes used instead of standard construction methods. This can reduce the employment opportunities for local people. In these cases, a financial contribution is required for any shortfall in the jobs and training policy requirement.

Before commencement, the applicant will be required to submit an Employment and Skills Methodology for approval by the council. A Construction Industry Employment and Training Report will be required before completion of the development.

2.6 Jobs in completed developments

Southwark Plan 2022 P28 and London Plan 2021 policy E11 set out the requirements for jobs in completed developments.

All development over 2,500sqm (GEA) of non-residential floorspace is required to provide employment for Southwark residents in the completed development. Table 8 shows the requirement.

Type of development	Number of jobs provided in completed developments which last a minimum 26 weeks for unemployed Southwark residents
Workspaces and businesses - Class E(c-g), B2 and B8	10% of the total estimated Full Time Employee (FTE) employment on site*
Retail – Class E(a and b)	20% of the total estimated FTE employment on site*
Hotel (C1)	20% of the total estimated FTE employment on site*

Table 8: Requirements for jobs in completed developments

* This should be estimated using the third edition HCA Employment Density Guide (2015), or an alternative measure approved by the council.

The required number of jobs should be in place within 18 months of the first occupation of the completed development. The jobs need to continue for a minimum of 26 weeks. The applicant will be required to submit an end-use Employment and Skills Plan.

Where the job requirements cannot be met fully on site, a financial contribution for the shortfall is required. This is calculated as:

Shortfall against the required number of jobs in completed development for unemployed Southwark residents which last a minimum 26 weeks × £5,500.

The financial contributions set out under 2.5 and 2.6 will be applied towards employment, training and skills programmes for Southwark residents in line with the purpose for which the section 106 financial planning obligation has been made. These programmes will offer pathways to employment across a range of sectors, according to local needs.

2.7 Supporting the local economy

Southwark Plan 2022 policies P28, P30 and P31 and London Plan 2021 policies E2, E3 and E11 set out requirements for supporting the local economy by enabling access to employment and training, re-provision of office and business development and provision of affordable workspace.

Where jobs and training obligations are required, a technical fee will be required for the monitoring of the Employment and Skills Methodology and/or Affordable Workspace Strategy.

The fee is £3,710 per development.

2.8 Local procurement

Southwark Plan 2022 policy P28 and London Plan 2021 policy E11 set out the requirements for local procurement.

Development that creates more than 1,000sqm (gross) must allow local businesses to tender for the procurement of goods and services generated by the development both during and after construction.

Developers should use reasonable endeavours to procure from businesses and organisations based in Southwark either:

- 10% of the total value of the construction contracts or,
- 10% of the total number of construction contracts tendered in relation to the development.

2.9 Loss of employment floorspace

Southwark Plan 2022 policy P30 and London Plan 2021 policy E1 set out the requirements where there is a loss of employment floorspace in office and business development.

Development in the following categories are required to retain or increase the amount of employment floorspace¹:

- Central Activities Zone (CAZ)
- Town centres
- Opportunity areas
- Development plots within site allocations.

Where a lack of demand for employment floorspace has been demonstrated by a 2-year marketing exercise, a financial contribution may be acceptable.

In addition, development that results in a loss of employment floorspace anywhere in the borough must provide a financial contribution.

The financial contribution is calculated as:

10% of the FTE jobs which should have been provided in the development × £5,500 per job

This is calculated using the most current HCA Employment Density Guide, or an agreed alternative measure.

Financial contributions from the loss of employment space will be used to support a range of employment and skills programmes for Southwark residents. These will offer pathways to employment across a range of sectors, according to local needs.

¹ Employment floorspace means Class E(g), B2, B8 or Sui Generis employment generating uses.

2.10 Net zero carbon development

Southwark Plan 2022 policy P70 and London Plan policies GC6, SI2 and SI 3 set out the requirements for net zero carbon development.

Major residential development is required to reduce carbon emissions on site by 100% on Part L 2021 Building Regulations. Major non-residential development is required to reduce carbon emissions on site by 40% on Part L 2021 Building Regulations.

In exceptional circumstances, carbon emissions may be offset to net zero. The fee for offsetting carbon is calculated as:

Total carbon shortfall (Tonnes of CO₂) × Cost of Carbon (£95 per tonne) × 30 years (the assumed lifespan of the building).

All the carbon offset contributions collected go into the Green Buildings Fund. This is used to fund carbon offsetting projects.

The Section 106 planning obligation will secure the requirements of the Energy Statement. Applicants will also need to provide the [GLA Energy Assessment spreadsheet](#).

The Section 106 planning obligation will set out when any financial contribution is due. The applicant will be required to submit a Pre-commencement [Energy Pro-Forma](#) to track any changes to the energy performance of the development as a result of changes to the design. The applicant may also need to submit an updated Energy Statement.

Major referable and phased developments must submit an independent review of the development's energy efficiency and a [Pre-Occupation Energy Pro-Forma](#).

Before occupation, design estimates for the London Plan's Be Seen energy performance indicators will need to be submitted¹. Annual in-use energy performance will be required 1 year after occupation and for the following 4 years.

2.11 Connection to a District Heat Network (DHN)

Southwark Plan 2022 policy P70 and London Plan 2021 policies SI3, SI12 and SI13 set out the requirements for connection to a District Heating Network.

The feasibility of connection will be assessed on a case-by-case basis. Where it is feasible, the connection to, or future-proofing of a connection to a District Heating Network will be secured by a Section 106 planning obligation.

Refer to the Climate and Environment SPD for further guidance on futureproofing a connection to a District Heat Network.

1 Via the GLA online portal.

2.12 Air Quality

Southwark Plan 2022 policy P65 and London Plan 2021 SI1 set out the requirements for air quality.

Air Quality Neutral

Where an Air Quality Neutral assessment shows that the development does not meet one or both air quality benchmarks and cannot be mitigated onsite or offsite, an offsetting payment will be agreed. This is in line with the Air Quality Neutral London Planning Guidance.

The offsetting calculation is assessed individually for NOx emissions, PM 2.5 emissions, Transport NOx emissions and Transport PM 2.5 emissions.

The fee is will be calculated using the following formula:

Excess emissions above the benchmark (tonnes of carbon dioxide/annum) × the damage costs (£/tonne of carbon dioxide) over a 30-year period, with a 2% annual uplift¹.

This financial obligation is expected to be paid in full prior to the occupation of the development. Any offsetting contributions are used to support the delivery of initiatives set out in the council's adopted Air Quality Action Plan (2023-2027).

Construction Environmental Management Plan

A Construction Environmental Management Plan (CEMP) is secured by planning condition and must be submitted before commencement. It should show any air quality impacts during site clearance, demolition and construction.

Where the CEMP shows that construction phase air quality impacts will occur, a financial contribution will be required. This applies to development of 10 or more residential units, and/or 1,000+ square metres of commercial space.

Sites below this threshold may be exempt from the requirement where applicants can demonstrate that the impacts arising will not have a disproportionate impact on the surrounding area.

During the construction phase, the developer must comply with the approved air quality management provisions in the Construction Environmental Management Plan.

Before demolition or the commencement of groundworks, the applicant must pay the construction phase air quality monitoring payment.

Before occupation, the developer must carry out the measures in the Air Quality Assessment and Mitigation Plan.

¹ This is calculated in line with the [Air Quality Neutral London Plan Guidance](#)

A contribution will be used to monitor compliance with the construction phase air quality provisions of the Construction Environmental Management Plan. A per application fee applies:

£2,100 for developments of 10-49 homes

£3,200 for major developments of 50 homes and above and/ or 1,000+ sqm of commercial space.

An additional fee will also be due, calculated on a case-by-case basis.

2.13 Tree management and replacement

Southwark Plan 2022 policies P60-61 and London Plan 2021 policies D8, G1, G5 and G7 set out the requirements for tree management and replacement.

Developments which have a major impact on existing trees, or which deliver significant new planting, will need a Section 106 planning obligation. This ensures that trees and landscaping are planted and maintained in line with the planning approval.

In exceptional circumstances, a Section 106 financial contribution will be acceptable to compensate for the loss of a tree and to fund a replacement tree. Where this applies, the Capital Asset Value for Amenity Trees (CAVAT) methodology, UBoC model for carbon sequestration parity or an agreed alternative approach, is used to calculate the financial sum. The Tree Replacement Contribution must be paid before commencement.

An arboriculture specialist technical fee will also apply. The fee ensures that appropriate measures are in place for the long-term health of existing and newly planted trees. It also ensures that landscaping plans are carried out in line with the approved plans. The fee is:

£275 for each tree which requires protection, management or maintenance.

A bond will be secured for major developments where a significant number of new trees are proposed. The sum will be determined on a case-by-case basis. It will include a fee, equal to the council's costs for providing trees off-site for each tree which is not planted.

A Tree Strategy will be required to be submitted and approved by the council before the commencement of development. This should include the planting, management and maintenance arrangements for the trees and may be required as a condition and/or obligation. A Final Tree Planting Plan will be required prior to occupation of the site.

2.14 Biodiversity Net Gain (BNG) and ecological management

Southwark Plan 2022 policies P59-61 and London Plan 2021 policies G5, G6 and G7 set out the requirements for green infrastructure, biodiversity and ecological management.

The Environment Act (2021) sets a mandatory requirement for a minimum of 10% Biodiversity Net Gain (BNG) to be provided on all development sites. There are limited exemptions. The requirements are set out in [Government guidance](#).

All developments which have BNG on-site or off-site must submit a post-approval Biodiversity Gain Plan. This must be submitted to the council and approved before development can legally commence.

BNG which is provided as part of major development will usually meet the Government's definition of 'significant' biodiversity enhancements. Some minor schemes will also meet this definition. Criteria for assessing 'significant' BNG is set out in the Southwark's Climate and Environment SPD and in Government guidance.

A Section 106 planning obligation will be used to secure the proposed 'significant' BNG set out in a post-approval Biodiversity Gain Plan.

Applicants with 'significant' BNG must also ensure that arrangements are in place for the 'significant' BNG to be managed for 30 years, in line with a post-approval Habitat Management and Monitoring Plan. Both documents must be submitted to the council for approval before submitted before development can legally commence.

BNG enhancements which are considered to be 'significant' must be managed and monitored by the applicant for a 30 year period. Monitoring reports must be submitted to the council at agreed intervals over for a 30-year period. This is a legal requirement.

A monitoring fee will be charged to cover the council's cost of this monitoring over 30 years and this will be secured in the Section 106 agreement.

The fee will be calculated on a case-by-case basis depending on the scale and complexity of the site, with the starting point being £12,874.

Financial Section 106 planning obligations may also be required for any mitigation or management arrangements required to meet the ecological mitigation hierarchy¹.

1 Avoid, minimise, restore, offset: <https://cieem.net/wp-content/uploads/2019/02/Biodiversity-Net-Gain-Principles.pdf>

2.15 **Amenity space, play space and open space**

Southwark Plan 2022 policies P13-15 and P57 and London Plan 2021 policies D6, H16 and S4 set out the council's requirements in respect of design and open space. These policies are relevant for amenity space, play space and open space.

Open spaces are an essential resource for residents and visitors and all development should ensure that there is sufficient amenity and play space in accordance with [GLA guidance](#). Applicants should use the [GLA population yield calculator](#) when considering demand for new play space.

Where the council accepts that the policy requirements cannot be met fully onsite, a Section 106 planning obligation is required to ensure that the impact of development is mitigated. This is calculated as follows:

£325 × square metre of shortfall in amenity space, play space or open space

The Section 106 planning obligation will set out when any payment is due. Details of play space design, open space and amenity space management will be required before commencement and occupation. This will be determined on a case-by-case basis and may include:

- A Children's Play Space Strategy and Plan.
- Open Space Landscape Plan.
- Outdoor/Communal Amenity Space Management Plan.

2.16 Social, community, and other infrastructure

Southwark Plan 2022 policies P17, P27 and P45-P47 and London Plan 2021 policies S1, S2, S3, S5 and HC5 set out requirements for education places, healthy developments, leisure, arts and culture and community uses.

Development which creates a need for new or expanded social, community and other infrastructure will require the impact of the development to be mitigated. This could be a requirement for contributions towards either one or more of the following:

- Education facilities (early and adult learning, primary and secondary schools);
- Land for health centres and care facilities;
- Sport and leisure facilities;
- Libraries, youth facilities and meeting spaces;
- Arts, cultural and faith facilities;
- TV Reception, Telecoms and CCTV Infrastructure;
- Community safety initiatives;
- Contributions for loss of community use floorspace;
- Community access to use school facilities;
- Flood and surface water management;
- Management and maintenance arrangements;
- Tourism and visitor facilities and visitor management plans;
- Public conveniences;
- Access arrangements to publicly accessible space within tall buildings

The Section 106 planning obligation will secure the requirement for any plans and strategies that the applicant is required to submit at different stages of the development. This could include:

- Community Use Report;
- Public Access and Management Framework;
- Sports/Leisure Centre Specification Plan;
- Education Delivery Plan; and
- Public Art Strategy.

Where the council accepts that social and community infrastructure cannot be provided on site or only in part, a financial contribution is required. For education and health services, the need will be calculated using the [GLA population yield calculator](#). The financial contribution will be calculated based on this demand. Other section 106 financial contributions, such as the loss of community floorspace, will be calculated on a case-by-case basis.

2.17 Sustainable transport, public realm and highways

Southwark Plan 2022 policies IP2, P13, P45, P50-55, P65 and London Plan 2021 policies SI1, T1, T2, T3, T4, T5, T6, T7, T9, D8 and S6 set out the requirements for sustainable transport, public realm and highways.

Development may be required to contribute towards site specific measures such as highway works, transport infrastructure and public realm to mitigate the site-specific impacts of the travel demand they generate. This will be considered on a case-by-case basis.

Travel Plans may also be required for planning applications in order to demonstrate how impacts will be overcome.

There are separate agreements which may need to be secured under the Highways Act 1980. These are:

- Section 38 agreements: required where a development site contains new or amended public highway which will be adopted by the council.
- Section 278 agreements: required if a development will alter the public highway within or adjacent to the site.

These are agreed between the council (as the highway authority) and the developer.

A Highways' works bond, equivalent to the estimated cost of the works (index linked) plus a 10% contingency will be required. The bond is released once the works have been completed and signed off by the Highways team.

A fee is required for the monitoring of the Travel Plan and Delivery and Servicing Management Plan.

The monitoring fee is £2,790 per required plan for applicable applications.

Some developments may require improvements to the public realm which are in addition to any Section 38/278 requirements.

Public realm is publicly accessible space which may be privately or publicly owned. It can include streets, squares, forecourts, footpaths and the spaces between buildings. Public realm Section 106 planning obligations will be assessed by the council on a case by case basis.

Financial Section 106 contributions relating to transport and public realm are calculated by Transport for London.

Old Kent Road Opportunity Area

The exception is the Old Kent Road Opportunity Area where the following contributions apply, in addition to any assessed as being necessary to the development proposed:

- Public transport contributions: **£2,700 per residential home (indexed from 2019).**
- Cycle Hire membership: **£50 per residential home (indexed from 2019) / £25 per studio room/£50 per 100sqm of other uses.** Other plans and strategies may be required depending on the impact of the development.

These could include:

- Landscape Strategy and Plan
- Public Realm Management and Maintenance Plan/Strategy
- Visitor Management Plan
- Cycle Parking Strategy
- Public Art Strategy
- Management and Maintenance Plan

2.18 Archaeology

Southwark Plan 2022 policy P23 and London Plan 2021 policy HC1 set out the archaeology requirements.

Some developments need technical advice on applications in Archaeological Priority Areas (APA). Where the council considers an archeology contribution is required, contributions are set out in Table 9.

Size of development	Development within Tier 1 APAs	Development within Tier 2 APAs (Basic rate)
Under 100sqm	£4,360	£3,598
101 - 3,499sqm	£8,635	£7,196
3,500 - 9,999sqm	£11,549	£9,624
10,000sqm and above	£17,270	£14,391
An additional fee for finds of high significance	Applicant notifies the council. Additional contribution is calculated on a case by case basis.	Applicant notifies the council. Additional contribution is calculated on a case by case basis.

Table 9: Archaeology contribution

Before demolition or the commencement of groundworks, the applicant must pay the archaeology contribution. An Archaeological Assessment Report will also be required.

2.19 Conservation and restoration management

Southwark Plan 2022 policies P13-P17, P19- P21, P24 – P26 and London Plan 2021 policies HC1, HC2 and D4 set out the requirements for conservation and restoration management in terms of design and tall buildings.

Where the council considers that technical advice on conservation and restoration will be needed for complex major applications and significant listed buildings, the contribution required is:

£3,598 for developments under 100sqm, £7,196 for developments of 101sqm and above.

Before commencement, the applicant submits a Conservation, Restoration and Management Plan with the specialist fee. This outlines the work that has happened to protect the heritage fabric.

It includes:

- A record of the building before, during and after building work.
- The method for maintenance, repair and minor alterations post completion.

2.20 Construction logistics and highways

Southwark Plan 2022 policy P50 and London Plan policies SI1 and T7 set out the requirements for construction logistics and highways.

Technical advice on construction, demolition and network management is needed for the preparation of environmental management plans for major and complex minor sites. This includes the submission of a Construction Logistics Plan and Construction and Environmental Management Plan before commencement.

A Highways Plan will also be required before commencement. There will be a separate charge for this service.

2.21 Administration, Compliance and Submission fees

The administration and compliance fees are required in addition to the monitoring fees outlined in this SPD. They are calculated based on the size of development.

The fee covers the cost of;

- Data entry and database maintenance;
- Issuing outstanding Section 106 planning obligation contribution demands;
- Section 106 planning obligation compliance;
- Following up unpaid invoices/outstanding contribution demands;
- Processing payments
- Gathering, recording and reporting the spend of Section 106 planning obligations;
- Preparing reports for releasing funding for Section 106 planning obligations;
- Reviewing and considering the discharge of conditions, for example Biodiversity Net Gain Plans¹.

Administration and compliance fees are in Table 10. The fees support monitoring the Southwark Plan² housing, employment, business and climate emergency policies. These are in addition to any technical fees set out in this SPD.

	Minor development	Small-scale major development	Large-scale major development (lower range)	Large-scale major development (higher range)
Threshold	1-9 homes and/or 0-999sqm commercial floorspace	10-49 homes and/or 1,000-3,499sqm commercial floorspace	50-99 homes and/or 3,500-10,000sqm commercial floorspace	Over 100 homes and/or over 10,000sqm commercial floorspace
Fee per application	£1,000	£5,000	£15,000	£20,000
Affordable housing monitoring fee	£150 per affordable home	£150 per affordable home	£150 per affordable home	£150 per affordable home

Table 10: Administration, Compliance and Submission fees

¹ In accordance with the Environment Act 2021

² Southwark Plan policy IP3. The Southwark Plan 2022 Annex 4 is a monitoring framework which the council is required to report against annually in its Authority Monitoring Report.

Technical and non-technical submission fees for Section 106 planning obligations are in Table 11. The fees are based on charges which reflect the officer time spent on assessing obligations with varying levels of complexity, where discharge is required. These fees will be adjusted over time. The Section 106 drafting will reflect this.

Technical obligation fee	£561.50 to make a planning decision or approval of a matter within a section 106 agreement which needs a planning decision or approval.
Non-technical obligation or notification fee	<p>£116 to record notifications where no decision is needed, but where a fact needs to be noted and recorded.</p> <p>These will usually be milestones in the development, such as confirmation of implementation or that a specific action has occurred.</p>
Non-compliance fee	<p>Additional charge of £300 if a S106 clause has not been discharged and the S106 team have to notify the developer. This is in addition to the cost for discharging a planning obligation.</p> <p>Any follow up correspondence and enforcement action will be charged at £120 per hour plus disbursements and costs.</p>

Table 11: Submission fees

A schedule of technical and non-technical obligations and the submission fees will be included in the S106 agreement. Examples of typical obligations are in Appendix 1.

Appendix 1

Examples of non-technical and technical obligations are set out below. This list is not exhaustive.

Non-technical obligation fees:

- Notification of application to the Land Registry
- Notification of scheme progress (e.g. demolition, implementation, substantial implementation, completion, completion of affordable housing).
- Notification of choice of registered provider.
- Submission of housing delivery monitoring table (parts 1, 2, 3 and 4)
- Straightforward obligations such as the details of a car club scheme.

Technical obligation fees:

Technical strategies and assessments including, but not limited to;

- Affordable workspace strategy
- Travel plan
- Bicycle strategy
- Public realm specification
- Highways specification
- Children's play space specification
- DEMP and CEMP
- Energy Pro-forma Discharge
- Section 38/278 Highways agreement
- Pedestrian/vehicular visibility plays
- Employment and skills methodology; employment and skills plan.
- Notification of completion of public realm and highways
- Management plans, including;
 - Estate management plan
 - Public realm management plan
 - Student housing management plan
 - Delivery and servicing management plan
 - Affordable workspace management plan
 - Community space management plan
 - Car parking management plan
 - Operational management plan
 - Move-in / move-out strategies for student housing, co-living.
- Viability reviews
- Gradient and Spot Level Plans
- Traffic Management Order / Parking Changes on adopted streets (including e-scooter / e-bike bays)

Obligations which require notification, but no council approval (no fee applies)

- An obligation which precludes the implementation of development permitted by a planning permission until some step required by the obligation has been undertaken Grampian conditions.
- Obligation requiring an activity to occur in perpetuity, or to reinforce the planning permission
- Compliance obligations (e.g. relating to construction of affordable or wheelchair housing, local procurement).
- Maintenance during the defects period.
- Retention of architects.
- Obligations relating to use (e.g. restrictions on use or public access)

The fees for approving obligations will be set out in the Section 106 agreement. The fees will be due when phases of the development such as implementation, construction above ground, completion take place. The fees will be due irrespective of whether an application for approval has been made.

