

Report to Council

27 April 2016

By the Cabinet Member for Planning and Development

INFORMATION REPORT



**Horsham
District
Council**

Not Exempt

Draft Planning Obligations and Affordable Housing – Supplementary Planning Document

Executive Summary

Following the adoption of the Horsham District Planning Framework (HDPF) in November 2015, the Council is intending to introduce a Community Infrastructure Levy (CIL) that will set a charge on new development to help fund infrastructure requirements set out in the HDPF. The Community Infrastructure Levy (CIL) is a new charge on development that came into force through the Community Infrastructure Levy Regulations in 2010. The draft CIL Charging Schedule was approved in February for public consultation and once adopted will be the primary mechanism for seeking developer contributions for infrastructure. However, S.106 obligations will still be used in a reduced format to meet site specific requirements which arise from development. To provide details about the collection of contributions and affordable housing, a draft Planning Obligations Supplementary Planning Document (SPD) has been produced which reflects the changing nature of S106. The SPD is a guidance document and not a policy document.

As CIL and Planning obligations are closely linked it was felt that it would be appropriate to undertake consultation on the CIL documentation and Planning Obligations at the same time. The purpose of this report is therefore for Council to approve the Draft Planning Obligations and Affordable Housing Supplementary Planning Document for public consultation alongside the CIL Draft Charging Schedule.

Recommendations

Council is asked to approve the following recommendations:

- i) To agree the Draft Planning Obligations and Affordable Housing Supplementary Planning Document for consultation.
- ii) To approve the revised Regulation 123 list.
- iii) That the Cabinet Member for Planning and Development has delegated authority to agree any necessary changes before consultation.

Reasons for Recommendations

- i) The Planning Obligations and Affordable Housing SPD is needed to support the next stage in preparing the Community Infrastructure Levy. The SPD sets out the guidance and mechanisms that will be used to justify the requirement to secure the developer contributions and affordable housing, alongside the new Horsham District CIL.
- ii) To ensure that the Regulation 123 list is fully consistent with the approach taken in the Infrastructure Delivery Plan and in addition the draft Planning Obligations and Affordable Housing Supplementary Planning Document.

Background Papers

Draft Planning Obligations and Affordable Housing - Supplementary Planning Document, Infrastructure Delivery Plan and Regulation 123 List (updated April 2016) – attached at Appendix 2

Wards affected: All (except areas within the South Downs National Park area).

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Background Information

1 Introduction and Background

- 1.1 Following the adoption of the Horsham District Planning Framework in November 2015, the Council is intending to introduce a Community Infrastructure Levy (CIL) that will set a charge on new development to help fund infrastructure, services and amenities that are required by everyone. In addition, new development will continue to have site specific impacts, and any infrastructure which is directly required as a result of development will continue to be sought through Section 106 Agreements, as will affordable housing. The draft Planning Obligations and Supplementary Planning Document (SPD) has been prepared to provide further details about the collection of contributions and affordable housing through Section 106 agreements.
- 1.2 The Draft Planning Obligations and Affordable Housing SPD is presented for approval for public consultation. As CIL and Planning obligations are closely linked it was felt that it would be appropriate to undertake consultation on the CIL documentation and Planning Obligations at the same time and so the CIL consultation was postponed. Once the consultation has taken place and comments have been taken into account the SPD will be returned to Council for approval before it is adopted. The SPD will be used as a supporting document alongside the CIL Charging Schedule which will all be submitted for Public Examination once the consultation comments on the Draft CIL Charging Schedule have been taken into account.

2.0 Relevant National and Council Policy

- 2.1 In March 2012 the Government published the National Planning Policy Framework (NPPF). One key element of the NPPF is to ensure that sufficient infrastructure, such as transport, health, education, community and leisure facilities, have been identified to support new development and that development identified in the development plan is viable and deliverable. The ability to set CIL charges was introduced by the Planning Act 2008, with further detail about its application set out in The Community Infrastructure Levy Regulations 2010, and subsequent amendments.
- 2.2 The Horsham District Planning Framework (adopted November 2015) sets out the Council's planning strategy for the years up to 2031, to deliver the social, economic and environmental needs of the plan area. This includes allocating land for housing development, together with policies for affordable housing and the required infrastructure to deliver development. The CIL charge will ensure that an appropriate levy is set to provide development that is economically viable and that can be used to a wide range of infrastructure needed to support new development in the District, (not necessarily in the location where the money is raised). In addition, new development will continue to have site specific impacts, and any infrastructure which is directly required as a result of development will continue to be sought through Section 106 Agreements, as will affordable housing. To provide details about the collection of contributions and affordable housing, a draft Planning Obligations Supplementary Planning Document (SPD) has been prepared which

reflects the changing nature of S106. The SPD is a guidance document and not a policy document.

3 Details

3.1 Almost all development has some impact on the environment or amenities, or on the need for infrastructure, services and affordable housing. Sometimes, the impacts arising from development are such that without mitigation, development would not be acceptable. The draft Planning Obligations and Affordable Housing SPD sets out the Council's proposed guidance for developers and land owners on why, when and how the Council will seek planning obligations from new development proposals in the context of Horsham's emerging CIL regime.

The key topic areas are:

- The relationship between planning obligations and CIL.
- The use of planning obligations.
- Standard planning obligations.
- Negotiations and development viability;
- Detailed Guidance on Standard Planning Obligations, including Affordable Housing;
- Implementation and Monitoring.

3.2 The SPD is designed to be a useful tool for developers and the Council when considering a development proposal; from the initial design and pre-application discussions through the planning application consideration process and finally implementation and monitoring.

3.3 The provision of affordable housing is a complex process requiring negotiations. However, there are some standard practices that the Council will apply when considering applications where there is a policy requirement for affordable housing. The SPD contains further guidance and detail on the key requirements and mechanisms for securing affordable housing. This includes a calculator for seeking off site financial contributions. This will help ensure that there is an efficient, and where possible, standardised process to consider applications where the provision of affordable housing is required.

3.4 The SPD will refer to the Infrastructure Delivery Plan and the Regulation 123 lists which sets out which projects will be funded through CIL (in whole or in part) and which will be funded through planning obligations and other sources of funding. At the council meeting there were changes suggested to these and more up to date information has been received from infrastructure providers so an updated version of these is attached to this report.

4 Next Steps

4.1 If approved for consultation the draft Planning Obligations and Affordable SPD will be consulted upon alongside the CIL proposals. The consultation will run for six weeks.

5 Outcome of Consultations

- 5.1 The draft Planning Obligations and Affordable Housing SPD has been prepared in consultation with other departments in the Council – for example Housing. These departments will continue to feed specialist knowledge in to the preparation of the SPD prior to its adoption. The Monitoring Officer and the Director of Corporate Resources have been consulted during the preparation of the SPD.

6 Other Courses of Action Considered but Rejected

- 6.1 The only other course of action to be considered is to not prepare an SPD. This would however not provide guidance to landowners, developers in the context of Horsham's emerging CIL regime.

7 Financial Consequences

- 7.1 It is important that when development is permitted, it will be supported by the infrastructure and facilities needed to support growth. In requiring planning obligations the Council must have the objective of making acceptable development proposals which would otherwise be unacceptable in planning terms. This process will be facilitated by the guidance set out in this SPD.
- 7.2 Preparation of the Planning Obligations and Affordable Housing SPD will be funded within existing budgets, including consultancy support where required.

8 Legal Consequences

- 8.1 There are no legal implications of this report in addition to the normal activities undertaken by the Council's Legal Services team in relation to securing S106 agreements.

9 Staffing Consequences

- 9.1 There are no establishment staffing consequences resulting from this decision in addition to the normal activities undertaken by the Council in relation to securing S106 agreements.

10 Risk Assessment

- 10.1 The SPD will be used as a supporting document alongside the CIL Charging Schedule which will all be submitted for Public Examination. There is a risk that if not progressed, the Examination and subsequent introduction of a CIL levy could be delayed. In addition, without an SPD, negotiations on securing S106 agreements for affordable housing and other planning could be more time consuming to achieve due to a lack of clear guidance. These delays could lead to a potential loss of capital funding through CIL and / or the delivery of on-site infrastructure or affordable housing.

Appendix 1

Consequences of the Proposed Action

How will the proposal help to reduce Crime and Disorder?	There are no crime and disorder implications as a result of this report.
How will the proposal help to promote Human Rights?	None directly but each of the priorities and associated projects would be considered on a case by case basis.
What is the impact of the proposal on Equality and Diversity?	An EqIA has been undertaken and demonstrates that there will be no adverse impacts. The delivery of Affordable Housing will assist accessibility for groups with protected characteristics.
How will the proposal help to promote Sustainability?	The SPD is informed by the Horsham District Planning Framework (HDPF) which seeks to ensure that development which takes place in the future meets the needs of current and future residents.