



*Image: Holland Park Adventure Playground  
part funded by developer contributions*

## Planning Contributions: Supplementary Planning Document (SPD)

Developer contributions and non-financial planning obligations

September 2019



THE ROYAL BOROUGH OF  
KENSINGTON  
AND CHELSEA



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# 1. Introduction

## Purpose of the Supplementary Planning Document

- 1.1 This Supplementary Planning Document (SPD) provides guidance on the delivery of Local Plan Policy C1 Infrastructure Delivery and Planning Contributions<sup>1</sup>. Specifically, it sets out the borough's approach and procedures in respect of planning obligations. Planning obligations are also commonly referred to as 'section 106', 's106', as well as 'developer contributions'. It replaces the Planning Obligations SPD 2010.
- 1.2 The SPD provides clarity and transparency to applicants, residents and planning officers in calculating s106 contributions. It details the type of planning contributions that may be required, the qualifying development thresholds and the level of financial contribution where appropriate. The SPD supports 'open book' financial viability appraisals and will enable transparency and clarity on seeking financial obligations from development. The SPD will operate alongside the Community Infrastructure Levy<sup>2</sup> (CIL) Charging Schedule which took effect in the borough in April 2015.
- 1.3 A portion of the CIL is to be spent on local priorities; this is called Neighbourhood CIL and sits outside of this SPD. The Council is committed to engaging with its residents on neighbourhood CIL spending.

## Status of the SPD

- 1.4 The SPD has been prepared in accordance with the Planning Act 2004 and the associated Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). Once adopted it will be capable of being a material consideration in determining planning applications.

## Consultation

- 1.5 This SPD has been subject to two rounds of public consultation. The first draft SPD was consulted on between 12 September and 24 October 2017 followed by a consultation on the second draft between 27 November 2018 and 22 January 2019. The SPD was adopted on 18 September 2019.

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<sup>1</sup> LPPR Policy C1 Infrastructure Delivery and Planning Contributions

<sup>2</sup> CIL is a planning charge which can be introduced by local authorities on relevant new development in their area.

## 2. What are Planning Contributions?

- 2.1 The Local Plan identifies that the delivery of infrastructure through planning contributions is critical to the delivery of all its strategic objectives. The Community Infrastructure Levy (CIL) and Planning Obligations are the two types of planning contributions through which the Council can gain the necessary resources to assist the delivery of the infrastructure required to mitigate the impacts of new development.

### Planning Obligations

- 2.4 Planning obligations, the subject matter of this SPD, are required to mitigate matters that are specific to the site, such as affordable housing delivery. Planning obligations are secured through legally binding agreements between the Council as the local planning authority and a developer, and can involve financial or non-financial obligations. Their purpose is to make acceptable development which would otherwise be unacceptable in planning terms. They can be used to specify the nature of a development, compensate for loss or damage created by a development or address a development's impact on the local area. The contributions collected are ringfenced to be used by the Council on an item of infrastructure according to the terms of the legal agreement.

- 2.6 Section 106 (s106) planning obligations must meet the tests set out in Community Infrastructure Levy (CIL) Regulation 122<sup>3</sup> that a planning obligation may only be a reason for granting planning permission for the development if the obligation is:

- 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.

### Community Infrastructure Levy (CIL)

- 2.7 CIL is a planning charge which can be introduced by local authorities on relevant new development in their area. The Council introduced a CIL charge, which came in effect on 6 April 2015. The Council's current CIL rates are set out in a CIL Charging Schedule and vary according to the nature and location of a development. In accordance with CIL Regulation 123<sup>4</sup>, the Council has published a list of infrastructure on its website. The Regulation 123 list includes an exception for all categories of infrastructure for the Earl's Court and Kensal Canalside Opportunity Areas. Infrastructure for these areas will be secured through planning

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<sup>3</sup> Community Infrastructure Levy Regulations (CIL) 2010 (as amended)

<sup>4</sup> The CIL regulations were amended on 1 September 2019. The amended regulations remove the requirement to publish a Regulation 123 List. In the future the Council will need to prepare an Infrastructure Funding Statement. The Council's Regulation 123 List will remain until it is replaced by an Infrastructure Funding Statement. The charges in the SPD have been set up for those infrastructure categories identified to be funded through s106 and this will continue as such.

obligations as set out in the Development Plan and in this SPD.

- 2.3 The Mayor of London has also introduced a CIL charge<sup>5</sup> to contribute towards the funding of Crossrail and this is chargeable on qualifying developments within the borough. The Council is responsible for collecting the Mayor of London's CIL.
- 2.8 Amended CIL regulations came into effect on the 1 September 2019. The NPPG<sup>6</sup> and the amended regulations confirm that s106 planning obligations and CIL work side by side and they can be used to pay for the same piece of infrastructure.

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<sup>5</sup> <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/mayoral-community-infrastructure-levy>

<sup>6</sup> NPPG on Planning Obligations paragraph 003, 004 and 006

### 3. What Planning Obligations will be sought?

3.1 This SPD will necessarily focus on those contributions which are not contained within the Council's Regulation 123<sup>7</sup> List for CIL and those which may be required from development with a nil CIL rate. Those contributions that will be required from all development meeting indicated thresholds are:

- Affordable housing
- Public Art
- Site specific highways, transport and public realm measures
- Parking restrictions
- Travel plans
- Carbon offsetting and renewable energy mitigation.
- Employment, training business and local supply chain

3.2 Those contributions that will be required from nil CIL rated development<sup>8</sup> are:

- Libraries
- Parks and Open Spaces
- Sports and Leisure
- Air Quality
- Community Safety, Policing Resources & Emergency Services

3.3 A summary of contributions is set out in Appendix A. Further details of when and how these obligations will be secured is set out in the remainder of the document. It should be noted that this is not an exhaustive list of planning obligations which might be required in every case, but details the standard obligations and charges that will be frequently sought. Some developments may require a specific form of mitigation to be acceptable in planning terms and mitigate all site specific impacts; and this will be determined on a case by case basis. There may also be cases where infrastructure provision necessary to make a development acceptable cannot be delivered on site, in which case the Council will expect off-site contributions, whether as alternative provision or a commuted sum.

3.4 Where the formula for calculating the financial contribution is based on development value or costs, the value in the financial viability assessments where these are submitted, will be used. If one is not submitted the applicant should provide the figure for use in the Planning Contributions Calculator. Failing that, the Calculator will estimate the figure based on borough averages.

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<sup>7</sup> The Regulation 123 List sets out the infrastructure categories/ types covered by CIL [www.rbkc.gov.uk/CIL](http://www.rbkc.gov.uk/CIL)

<sup>8</sup> Development that is not liable to pay Community Infrastructure Levy as set out the Council's CIL Charging Schedule

## 4. Policy Context

- 4.1 The London Plan<sup>9</sup> outlines the Mayor's approach to s106 planning obligations, and sets out that "boroughs should set out a clear framework for securing planning obligations in development plan documents". The policy also states that development proposals should address strategic as well as local priorities in planning obligations and that the areas of highest strategic importance are affordable housing, the funding of Crossrail, and where appropriate other public transport improvements. The Mayor has prepared a new draft London Plan which is currently subject to examination in public and expected to be adopted in 2020. When adopted, policies relevant to planning contributions and this SPD will also apply.
- 4.2 The Mayor has produced the Affordable Housing and Viability supplementary planning guidance (2017) to further support the securing of planning obligations.
- 4.3 Policy C1 of the Council's Local Plan states that planning obligations will be negotiated on a case-by-case basis in accordance with current legislation, national policy and guidance. The policy outlines the factors that will be taken into account when determining what planning obligations are required to make a development acceptable in planning terms. These include the characteristics of the site, the infrastructure needs of the site and the surrounding area, and the London Plan. Proposals that form part of potentially wider sites will also be assessed in terms of the capacity of the site as a whole. The policy also addresses issues of viability stating that where a development is unable to deliver and the policy allows for consideration of issues of viability, a viability study will be required for independent assessment.
- 4.4 Paragraph 29.2.6 of the Local Plan outlines the types of planning contributions that the Council may seek subject to the s106 tests<sup>10</sup>.

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<sup>9</sup> London Plan Policy 8.2

<sup>10</sup> Community Infrastructure Levy Regulations (CIL) 2010 (as amended), Regulation 122

## 5. Approach to Opportunity Areas

- 5.1 The borough contains two Opportunity Areas – Kensal Canalside and Earl’s Court (part) which are site allocations in the Local Plan. By their nature, they are complex to bring forward and require significant investment in infrastructure. The Mayor, through his Affordable Housing and Viability SPG, encourages boroughs to take a more localised approach to planning contributions including affordable housing in these areas. The Local Plan identifies such an approach for the Earl’s Court Opportunity Area<sup>11</sup>. The Council is also working on a separate SPD for the Kensal Canalside Opportunity Area which will address issues of infrastructure.
- 5.2 The CIL Regulation 123 List includes an exception for infrastructure provision within these two site allocations to be secured through legal agreements for any infrastructure required in accordance with the Development Plan. Therefore, the starting point is the infrastructure set out in the Local Plan site allocations and Opportunity Area Supplementary Planning Documents and this SPD.

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<sup>11</sup> Earl’s Court and West Kensington Opportunity Area Joint Supplementary Planning Document 2012, <https://www.rbkc.gov.uk/planning-and-building-control/planning-policy/supplementary-planning/earls-court-and-west-kensington>

## 6. Securing Planning Obligations

- 6.1 This SPD is the starting point for the process. It is capable of being used by the Council as a material consideration when assessing planning applications. Applicants should use this document, together with the CIL Charging Schedule and Planning Contributions calculator, to assist in their costings.
- 6.2 Developers are required to complete a draft head of terms setting out the planning obligation requirements as part of the pre-application stage. Planning obligations requirements should be established as soon as possible, ideally during the pre-application stage where appropriate. The 'Heads of Terms' of any planning agreement will need to be finalised before applications are reported to committee for decision. Where planning obligations are required to make a development acceptable, planning permission will only be granted once the legal agreement between the Owner (which usually includes the Freeholder and any persons with an interest in the Land, for example any leaseholders where applicable), any beneficiary of a legal charge (e.g. a bank) and the Council has been completed. Planning permission may be refused in circumstances where the required legal agreement or unilateral undertaking is not sufficiently completed or executed within the appropriate timescale i.e. 8 or 13 weeks.
- 6.3 A planning obligation can be financial, in which case it will require a sum or sums to be paid to the Council on a specified date or on particular trigger points as appropriate, for example on the commencement or completion of development. The legal agreement will specify how the sum must be spent by the Council normally within a stipulated timescale to mitigate the impact of the development. A planning obligation can also be non-financial in which case it might restrict the use of land in any specified way; require specified operations or activities to be carried out in, on, under or over the land; or require the land to be used in a specified way.
- 6.4 The Council will prepare the first draft of any section 106 agreement required, but in certain appropriate cases developers may be required by the case officer to submit a draft or executed unilateral undertaking as part of the planning application. Where a unilateral undertaking is not appropriate, developers should use this SPD to identify the required contributions and submit draft Heads of Terms with their planning application.
- 6.5 It should be noted that on referable schemes, the Greater London Authority (GLA) and Transport for London (TfL) may also require planning obligations such as highways works on the strategic road network. TfL may also need to be included as a party in the legal agreement for works funded on the strategic transport network.

### **Index Linking**

- 6.6 Contributions sought from developers will be index linked in the legal agreement, in order to maintain the value of the contribution. Indexation

will be applied from the date of the legal agreement. The Retail Price Index is the measure of inflation that will be used to calculate index payments. A standard formula for calculating indexation will be set out within the legal agreement.

6.7 The formula for indexation is as follows:

*A X (B/C) = D, where A is the payment specified in the legal agreement, B is the figure shown in Retail Price Index (RPIX) for the period last published prior to the date of payment of contribution, C is the figure shown in the RPIX for the period immediately prior to the date of the legal agreement and D is the amount payable with indexation.*

### **Legal Fees**

6.8 The Council's full legal fees in drafting, securing, preparing, checking and the anticipated completion and post completion costs incurred for a s106 agreement or unilateral undertaking will have to be paid (by the applicant or owner of the land as applicable) before the Agreement or Undertaking is executed and completed. The Council's full legal fees will also have to be paid in the event of the agreement/ undertaking not being completed for whatever reason, or where planning permission is refused or where the applicant does not proceed with the development or proposal. The Council's legal fees are charged at an hourly rate based on the number of hours dealing with the case.

6.9 The legal adviser acting for the applicant or owner of the land (as applicable) will be expected to provide the Council's legal adviser with an undertaking to pay the Council's reasonable legal fees whether or not the matter proceeds to completion at the outset of the matter before any work is commenced by the legal department.

6.10 Where applications are referred to the Mayor of London and TfL, and legal input is required in drafting and preparing a s106 Agreement, their legal fees will also be met by the developers.

### **Local Land Charge**

6.11 Planning obligations are registered as a Local Land Charge and as such would come to the notice of a prospective buyer of the land. The Council will require that they will also be registered against the title to the land at the Land Registry.

### **Referrals, call-ins and appeals**

6.12 The Mayor of London must be consulted on planning applications that are of potential strategic importance. This is defined in the Town and Country Planning (Mayor of London) Order 2008 but examples include:

- development of 150 residential units or more;
- development 30 metres high or more;
- development with a total floorspace of 15,000 square metres or more.

- 6.13 On applications of potential strategic importance the Mayor can request certain obligations are secured by the Council which may be in addition to those set out in this SPD. Applicants are expected to have pre-application discussions with the GLA at an early stage to understand what additional contributions may be necessary.
- 6.14 If the Mayor considers it necessary on strategic planning grounds, he/she can also direct that the GLA be the local planning authority for the purposes of determining an application. In such cases the function of agreeing a planning obligation is the responsibility of the Mayor. However, the GLA must consult the Council before agreeing any planning obligation and the Council will expect the Mayor to secure the relevant contributions set out in this SPD.
- 6.15 The Mayor also has powers to direct the Council to refuse planning permission if the GLA consider the application contrary to the spatial development strategy (the adopted London Plan) or otherwise contrary to good strategic planning in London. This may include circumstances where the impacts of a development are not satisfactorily mitigated through appropriate planning obligations as set out in this SPD or as may be requested by the Mayor.
- 6.16 If planning permission is refused then it may be appealed to the Secretary of State, or the Secretary of State may call-in an application for their own determination. In such cases, the Secretary of State and/or an appointed Planning Inspector will take account of any planning obligation. This may comprise either a legal agreement or unilateral undertaking. The Council will seek to negotiate with developers to ensure that any planning obligation submitted as part of an appeal is satisfactory and meets the requirements of this SPD.

## 7. Assessing Viability

- 7.1 Where proposals for development accord with all the relevant policies in an up-to-date development plan, no viability assessment will be required to accompany the application. Where the need for a viability assessment is justified by an applicant, it should reflect the recommended approach in the NPPG including standardised inputs as set out below, and should be made publicly available.
- 7.2 Planning obligations are a necessary cost of development and it is expected that the likely cost of obligations will have been factored into the development costs from an early stage. The NPPG on Viability<sup>12</sup> clarifies that it is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. The Council considers that a viability assessment is unlikely to be necessary for the majority of planning applications as the cost of planning obligations including affordable housing should have been factored in at the earliest stages of land purchase and/ or scheme design and costings<sup>13</sup>.
- 7.3 In terms of local planning policies, the Council has fully considered the cumulative impact of its policy requirements on development viability as part of the preparation of its Local Plan and the CIL Charging Schedule as required by the NPPG on viability<sup>14</sup>. This has demonstrated the general viability of development in Kensington and Chelsea, and given a strong indication that the requirements of planning policies will not threaten the viability of sites in the borough. This evidence supports the expectation from the Council that in general, the scale of planning obligations identified in this SPD is deliverable.

### Pre-application Advice

- 7.4 The Council strongly recommends that pre-application advice is sought before making a planning application. This provides an opportunity to enter into discussions regarding planning obligation requirements with Council officers so that the nature of planning obligations that are likely to be required for a particular development are made known to the developer as early as possible in the decision making process. This SPD will form the basis for this. These early discussions help to ensure that formal applications can be dealt with in a more transparent, certain and speedy manner and allow for the legal agreement or unilateral undertaking to be executed and completed as soon as practicable.
- 7.5 Where planning obligations will be required, the pre-application stage offers the opportunity to identify the draft Heads of Terms and to consider the justification for a viability assessment prior to submission.

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<sup>12</sup> NPPG on Viability Paragraph 002

<sup>13</sup> NPPG on Viability Paragraph 006

<sup>14</sup> NPPG Paragraph 002

## Transparency

- 7.6 Viability assessments should be submitted alongside other planning application documents and should include all relevant information and evidence as set out in this SPD. The Council will treat information submitted as part of, and in support of, a viability assessment transparently and publish this alongside other planning application documents. The Local Plan Policy CH2 requires that an open book viability assessment is submitted for all applications where policy requirements will not be met. This approach is supported by recent Information Commissioner's Office and First Tier Tribunal decisions. Transparency of information is supported in the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (SPG).
- 7.7 The guiding principle of the Environmental Information Regulations (EIR) is that information should be accessible, although the legislation sets out certain exceptions to this general rule. These exceptions are qualified by a public interest test and decisions by the information tribunal have demonstrated that the public interest in maintaining confidentiality rarely outweighs the public interest in disclosing information.

## Guidance on Viability Appraisals

- 7.8 The NPPG sets out the Government's recommended approach to viability assessment for Planning. It sets out the standardised inputs to viability assessments. The key elements are gross development value, costs, land value, landowner premium and developer return. The NPPG should be referred to for further guidance on each of these key inputs. It is worth stressing that land value will be defined by establishing a benchmark land value based on the [existing use value \(EUV\)](#) of the land, plus a premium for the landowner<sup>15</sup>.
- 7.9 Paragraph 14 of the NPPG on Viability sets out factors which should be considered when establishing benchmark land value. These factors include a consideration of market evidence and the principles established by the judgment in *Parkhurst Road Ltd v Secretary of State for Communities and Local Government & Anor* [2018] EWHC 991 (Admin) are reflected in the guidance. It requires that such market evidence should be based on developments which are compliant with development plan policies, including for affordable housing. The NPPG is clear that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.
- 7.10 Paragraph 16 of the NPPG provides guidance on the premium to the landowner. The guidance states "*The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements*". To establish the premium, market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments

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<sup>15</sup> NPPG on Viability Paragraph: 013

necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners.

- 7.11 The Mayor of London provides further guidance on the most appropriate method for assessing development viability in support of delivering the requirements of the London Plan through the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (SPG)<sup>16</sup> published in August 2017. It is explicit about the Mayor's preference for the Existing Use Value Plus as the comparable Benchmark Land Value when assessing the viability of a proposal. Standards are also proposed on transparency and the use of review mechanisms.
- 7.12 The Mayor's SPG also introduces the threshold approach to viability for affordable housing. This establishes that a scheme which meet or exceeds 35 per cent of housing as affordable without the use of public subsidy will not be required to submit a viability assessment. This is subject to achieving the relevant tenure split and other obligations to the satisfaction of the Council and the Mayor. The Mayor expects the percentage of affordable housing in a scheme to be measured by habitable room. The Local Plan Policy CH2 requires a minimum of 35 per cent of all residential floorspace (GIA) as affordable housing. Development proposals providing 35 per cent or more residential floorspace as affordable housing will not be required to submit a viability assessment.
- 7.13 Viability assessments will be scrutinised robustly by the Council with advice from an independent third party expert of the Council's choice. The Council will require its reasonable costs associated with the use of an external assessor or any other necessary cost/ valuation advice to be paid for by the developer.
- 7.14 The overall aim of the Council's approach to viability assessments is to establish that when the Local Plan policy allows for consideration of viability, the level of contributions is the maximum, or whether greater policy compliance could be achieved. When assessing an applicant's viability evidence, the Council or its consultants may request clarification or additional information. In this instance, all correspondence should be copied directly to the Council.
- 7.15 The applicant should also provide a detailed explanation of all the inputs and assumptions used in their viability appraisal. Where use is made of a viability model, the Council should be provided with the full working model/s and/ or all of the assumptions and calculations included in the modelling so that these can be tested and interrogated. This will also allow officers to vary assumptions to determine the impact on viability.
- 7.16 To ensure consistency with the London-wide approach proposed by the Mayor and to avoid unnecessary duplication, applicants should follow the requirements for viability assessments set out in the Mayor's

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<sup>16</sup> <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/planning-guidance-and-practice-notes/affordable-housing-and-viability-supplementary-planning-guidance-spg>

Affordable Housing and Viability SPG. The information will need to be tailored to the Council's Local Plan policy requirements for example demonstrating the affordable housing provision by floorspace (GIA) as well as habitable rooms.

### **Viability Reviews**

- 7.17 The Local Plan supports the use of review mechanisms when viability assessments demonstrate that current market conditions will support less than the target for affordable housing in Policy CH2. Also known as contingent obligations, these can obligate the applicant to resubmit a financial appraisal at various trigger points. This approach recognises that the costs, values and other factors of a scheme can alter significantly from the point at which planning permission was granted, and ensure that any improvements in the viability of a scheme will contribute towards meeting minimum policy requirements. The Mayor of London also supports the use of such mechanisms through the Affordable Housing and Viability SPG. Reviews in Kensington and Chelsea will be undertaken based on the process and formulae outlined in the Mayor's SPG, which will be set out in legal agreements to provide transparency.

## 8. Diversity of Housing

- 8.1 Provision of affordable housing in qualifying developments as set out in the Local Plan will form a key part of legal agreements. This section explains how Local Plan policies will be applied and provides additional information on what will be expected when dealing with planning applications for development for which a proportion of affordable housing is required.

### ***Policy and Guidance***

#### **London Plan**

London Plan Policies (2016):

3.10 Definition of Affordable Housing

3.11 Affordable Housing Targets

3.12 Negotiating Affordable Housing on Individual Private Residential and Mixed Uses Schemes

3.13 Affordable Housing Thresholds

#### **Emerging Draft London Plan Policies (2019)**

H5 Delivering Affordable Housing

H6 Threshold Approach to Applications

H7 Affordable Housing Tenure

H8 Monitoring of Affordable Housing

Mayor of London Housing Supplementary Planning Guidance May 2016

Mayor of London Affordable Housing and Viability Supplementary Planning Guidance August 2017

#### **Local Plan**

CH2 Affordable Housing

CH4 Estate Renewal

## **Affordable Housing**

### **Threshold**

- 8.2 Policy CH2 of the Local Plan seeks to achieve the maximum reasonable amount of affordable housing by requiring sites that provide 650sqm or more gross residential floor space (GIA) to provide 35 per cent of residential floorspace as affordable housing. Once the 650 sqm threshold is met, all gross residential floorspace is liable for an affordable housing contribution. Proposals where there is existing residential floorspace on-site will not net off existing floorspace but require

affordable housing using the gross internal area (GIA). The policy is also clear that provision of affordable housing should be on-site unless exceptional circumstances can be demonstrated to justify off-site provision or a payment in lieu.

## **Requirements**

### **On-site Provision**

- 8.3 To meet the overall objective of securing the maximum reasonable amount of affordable housing, the Local Plan (Policy CH2) requires 35 per cent affordable housing on-site on qualifying developments as set out above. This provision should be without the use of public subsidy, provide affordable housing on-site, meet the specified tenure mix, and meet other planning requirements and obligations to the satisfaction of the Council and the Mayor where relevant. These schemes will not be required to submit viability information. Such schemes will, however, be subject to early stage review mechanisms. The level of progress within a stipulated timescale as set out in the Mayor's Affordable Housing and Viability SPG or as considered necessary on a case by case basis will need to be agreed with the Council and will form part of the legal agreement.
- 8.4 Where a qualifying scheme does not provide 35 per cent of gross residential floorspace (GIA) as affordable floorspace on-site, Policy CH2 requires the applicant to demonstrate that the maximum reasonable amount is being provided through the provision of an open book viability assessment (see section 7) together with evidence of the exceptional site circumstances or other public benefits to justify the reduced affordable housing provision.
- 8.5 Applicants should follow the appraisal requirements set out in Section 7 of this SPD and Part 3 the Mayor's Affordable Housing and Viability SPG. Applicants should present affordable housing figures as a percentage of total residential provision by habitable rooms, by units, and by floorspace.

### **Off-Site Provision**

- 8.6 All proposals for off-site provision of affordable housing will need to submit a financial viability assessment and robust evidence to support exceptional circumstances.
- 8.7 On-site provision is the borough's normal requirement for how affordable housing will be provided. However, both the Local Plan and the London Plan recognise that there may be exceptional circumstances where off-site provision may be appropriate.
- 8.8 Off-site affordable housing requirements will be calculated by reference to the total housing provision on the main development site and any linked sites which must be in this borough providing off-site affordable housing. For the purposes of the initial assessment and viability reviews the Mayor's strategic target of 50 per cent affordable housing will be sought across the main site and any linked sites providing affordable

housing when considered as a whole in-line with the Mayor's Affordable Housing and Viability SPG.

- 8.9 In instances where it is accepted that off-site provision is appropriate, the onus will be upon the developer to find and acquire a more suitable site in the borough. In such circumstances the affordable housing will be secured through a legal agreement. Off-site provision should be financially neutral i.e. there should be no financial advantage to a developer in providing the housing in this way. Such schemes will, where required, be subject to both early and late stage review mechanisms as set out in the Mayor's Affordable Housing and Viability SPG.
- 8.10 Policy CH2e. requires that in such circumstances, applications for the off-site affordable housing should be made concurrently with the main planning application and that the two applications are linked through a legal agreement or unilateral undertaking.

### **Payments in Lieu**

- 8.11 In the exceptional circumstances where neither an on-site or off-site contribution is possible, a payment in lieu may be justified in accordance with Local Plan Policy CH2. Paragraph 35.3.36 of the Local Plan refers to the guidance in the London Plan<sup>17</sup> and also tailors these circumstances to the borough as follows:
- Secure a significantly higher level of provision; and/or
  - Better address priority needs as indicated in the Council's most up-to-date published needs assessment.
- 8.12 If the principle of a payment in lieu for affordable housing has been accepted, the process for calculating the value of payments in lieu is set out in Policy CH2. It is based on the principle that replacing on-site affordable housing provision with a payment in lieu should be financially neutral for the developer.
- 8.13 Applicants are required to provide two viability appraisals comparing residual land values on a site-by-site basis – one reflecting the maximum reasonable amount of affordable housing provision on-site and the second with 100 per cent private housing. There should be no difference in the layout and build quality of the two schemes i.e. the difference should only be the change in the tenure of the affordable housing to private housing for purposes of undertaking the viability assessment. The benchmark land value should be established on the basis of the existing use value (EUUV) of the land, plus a premium for the landowner as set out in the NPPG on Viability, paragraph 013 to 016. The two agreed residual land values will then be compared to the existing use value plus a premium benchmark. If the residual land value of the scheme with affordable housing equals or exceeds the benchmark land value, then a payment in lieu is calculated using the formula set out below.

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<sup>17</sup> Policy 3.12 and paragraph 3.74

### ***Payment in Lieu Formula***

Where the residual land value of a scheme with affordable housing exceeds the benchmark land value, the value of the payment in lieu will be calculated using the following formula:

*Residual Land Value - all private housing*

*Less*

*Residual Land Value with maximum reasonable amount of affordable housing*

*Equals*

*Value of payment in lieu*

- 8.14 Contributions will ring fenced to enable a greater, or more appropriate new provision of affordable housing within Kensington and Chelsea in accordance with policy and procedure determined by the Council. An appropriate use would be to fund the Council's ambitions to build new affordable housing in the borough.

### **Vacant Building Credit**

- 8.15 National policy provides an incentive for brownfield development on sites containing vacant buildings. Generally, known as the vacant building credit, it requires that the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace. The Local Plan, paragraph 35.3.43, is clear that the Council considers that the vacant building credit should not apply to development in the borough. This is because of the central London location and highly dense character of Kensington and Chelsea, where all sites are brownfield and the vacant building credit will not bring forward more development. This approach has been endorsed in the Mayor's Affordable Housing and Viability SPG (August 2017) and in the LPPR Inspector's Report (paragraph 95)<sup>18</sup>.

### **Securing Affordable Housing**

- 8.16 Affordable housing will be secured via a legal agreement. This is to ensure that affordable housing continues to be affordable to those in housing need, and managed to standards set by the relevant

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<sup>18</sup> [Inspector's Report](#)

requirements.

- 8.17 The proposed number and tenures of affordable units, the gross internal floor area and the number of bedrooms in each unit, will be stated in the legal agreement or unilateral undertaking. In addition, the Council will ensure that the affordable housing provider enters into a nominations agreement with the Council and that any service charges are agreed. All parties with an interest in the land will be bound by the legal agreement or unilateral undertaking.
- 8.18 Further details of affordable housing including the products that are truly affordable in this borough are expected to be set out in a forthcoming SPD.

## 9. An Engaging Public Realm

### Public Art

- 9.1 The Local Plan highlights how public art can promote civic pride and help create a sense of place and promote local distinctiveness. The provision of public art and artistic features will therefore be sought as an integral element to major development.

#### ***Policy and Guidance***

##### **London Plan**

7.5 Public Realm

##### **Local Plan**

CR4 Streetscape

### Threshold

- 9.2 All major developments will be required to make a contribution to Public Art. A major development is defined in the glossary.

### Requirements

- 9.3 Policy CR4 requires that all qualifying developments provide new public art that is of high quality and either incorporated into the external design of the new building, or carefully located within the public realm. The public art should be up to 1 per cent of the value of the development.
- 9.4 The public art is expected to support the Arts and Culture Policy<sup>19</sup>. The overall public art provision will be subject to consideration in light of other planning obligations sought, and the design and architectural merits of the development proposed.
- 9.5 As appropriate, the funding of art can be by means of a sum set aside to be spent by the developer or a financial contribution to the Council. A transparent process of commissioning public art work, involving professional art organisations and/or stakeholder community engagement will be expected and will be overseen by the Council's Arts and Culture Service.
- 9.6 The Arts and Culture Service will advise the Lead Member for the Arts when making decisions about public art. They encourage the installation and inclusion of high quality public art in developments by developers and will also consider works that are permanent or temporary.

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<sup>19</sup> <https://www.rbkc.gov.uk/wamdocs/Arts%20and%20Culture%20Policy.pdf>

### **Public Art Formula**

Where public art cannot be provided on-site a planning contribution will be payable calculated using the following formula:

A –Value of gross development costs

*Multiplied by*

B – 0.01

### **Guidance**

A –Value of gross development costs provided by developer, or estimated by RBKC planning contributions calculator

B- Based on Arts Council “Per Cent for Art” scheme

- 9.6 Contributions will be used on the provision and maintenance of permanent or temporary public art as well as related events in the borough.

## 10. Better Travel Choices

- 10.1 The Local Plan seeks to ensure that new developments include all the facilities that will enable residents, workers and visitors to make the most sustainable travel choices. Whilst strategic transport and connectivity infrastructure items will be funded through CIL contributions where appropriate, some transport and connectivity measures directly related to the site may also be required to make a development acceptable in planning terms, particularly where they generate new transport demand or have significant transport impacts. Planning obligations may therefore be sought for site specific traffic and highway works, contributions to public transport not capable of being collected through CIL (i.e. revenue funding of bus services), parking restrictions, travel plans or other management plans. Further guidance can also be found in the Council's Transport and Streets Supplementary Planning Document<sup>20</sup>.

### ***Policy and Guidance***

#### **London Plan**

- 6.2 Providing public transport capacity and safeguarding land for transport.
- 6.3 Assessing effects of development on transport capacity
- 6.5 Funding Crossrail and other strategically important transport infrastructure
- 6.7 Better streets and surface transport
- 6.11 Smoothing traffic flow and tackling congestions
- 6.12 Road network capacity
- 8.2 Planning Obligations

#### **Emerging Draft London Plan Policies (2019)**

- T1 Strategic Approach to Transport
- T2 Healthy Streets
- T3 Transport capacity, connectivity and safeguarding
- T4 Assessing and mitigating transport impacts
- T9 Funding transport infrastructure through planning

#### **Local Plan**

- CT1 Improving alternatives to car use

RBKC Transport and Streets Supplementary Planning Document (2016)

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<sup>20</sup> <https://www.rbkc.gov.uk/planning-and-building-control/planning-policy/supplementary-planning/transport-and-streets-spd-april>

## Highway and Traffic Works

### Threshold

- 10.2 All developments dependant on the nature of the proposals and the extent of the need for highway and traffic mitigation works to be carried out as a result of the proposals.

### Requirements

- 10.3 Many developments, by generating additional trips or by changing the way a site is accessed, will have significant impacts on the surrounding highway network and/ or public realm. Policy CT1 of the Local Plan requires all major developments to submit a transport assessment at the application stage to outline the impact of a major development on the transport network and to recommend mitigation measures required. These assessments will be used to identify the types of obligations that will be secured through s106 obligations to make the development acceptable.
- 10.4 Examples of works that may be required include traffic calming measures, new road alignments, junction improvements and, footway and streetscape improvements. Such contributions may take the form of a financial payment towards the delivery of mitigation works, the safeguarding of land to provide the works in the future, or an obligation to deliver the mitigation as part of the on-site works.
- 10.5 Where the site specific impacts of a development are more appropriately mitigated by a Section 278 (S278) agreement or 'highways agreement' this will be used to secure the measures required.

## Public Transport

### Threshold

- 10.6 The scale of development that would require development contributions towards improvements in public transport provision or in access to existing public transport facilities will depend on site-specific circumstances including the public transport accessibility level, and the likely demand for public transport services.

### Requirements

- 10.7 Through Policy CT1(j), the Local Plan requires that new development is connected into the existing public transport networks, and that any negative impacts on the local or wider connectivity of the area mitigated. Planning obligations will be used to secure mitigation of site specific impacts and take advantage of any opportunities to enhance the wider transport networks where related to the site and which cannot be funded through CIL. Examples of obligations that may be required include connections to the local bus and cycle networks, relocation of bus stops,

and revenue contributions for the provision of new or enhanced bus services serving the site. These will be established on a case by case basis to mitigate specific development impacts.

## **Crossrail/ Elizabeth Line (Central Activities Zone only)**

### **Threshold**

- 10.8 All major developments within the Central Activities Zone will be required to make a contribution to Crossrail. A major development is defined in the glossary.

### **Requirements**

- 10.9 The borough is responsible for collecting Crossrail 2 funding on behalf of the Mayor through the Mayoral CIL 2 (MCIL2).
- 10.10 The MCIL2 charge in Kensington and Chelsea is currently £80 per sqm and applies to all those developments which are liable as per the CIL regulations.
- 10.11 MCIL2 will be collected to fund Crossrail 2, and has been charged since 1 April 2019. Further details are set out on the Mayor's CIL website<sup>21</sup>.

## **Parking Restrictions**

### **Threshold**

- 10.12 Local Plan Policy CT1(c) requires 'that all new additional residential development be permit-free'.

### **Requirements**

- 10.13 Full details regarding the implementation of this policy are set out in the Council's Transport and Streets SPD 2016, which identifies that permit-free provisions will be secured by legal agreement.

## **Travel Plans**

### **Threshold**

- 10.14 Travel Plans are required at the application stage for the following scale and type of development:
- those of 80 residential units or more;

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<sup>21</sup> <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/mayoral-community-infrastructure-levy>

- commercial developments of more than 2,500 sqm (26,896sq ft) Gross Floor Area;
- retail developments of 1,000 sqm (10,758sq ft) or more Gross Floor Area;
- hotels with 50 beds or more; and
- schools or childcare facilities of any size.

### **Requirements**

- 10.15 The measures set out in the Travel Plan will be secured by way of a condition on the permission or a s106 planning obligation. In addition, the Council will require developer funding by planning obligation for the monitoring and review of Travel Plans. Further details on the requirements for Travel Plans are set out in the Council's Transport and Streets SPD. A standard fee of £1,200 (index linked) will be payable to cover officer time for reviewing, approving and monitoring Travel Plans.

# 11. Respecting Environmental Limits

- 11.1 A strategic aim of the Local Plan is to contribute to the mitigation of and adaptation to climate change; including through the significant reduction of carbon dioxide emissions. Vehicles, including those passing through the borough, the heating and cooling of buildings and the use of biomass are all significant emitters of gases and increase air pollution. Tackling these issues is central to improving our resident's quality of life.

## ***Policy and Guidance***

### **London Plan**

- 5.2 Minimising Carbon Dioxide Emissions
- 5.7 Renewable Energy
- 7.14 Improving Air Quality

- Mayor's Carbon Offset Funds Guidance (October 2018)
- Mayor's Housing Supplementary Planning Guidance (March 2016)
- Mayor's Sustainable Design and Construction Supplementary Planning Guidance (April 2014)
- Energy Planning - GLA guidance on preparing energy assessments (March 2016)

### **Emerging Draft London Plan Policies (2019)**

- SI2 Minimising greenhouse gas emissions

### **Local Plan**

- CE1 Climate Change
- CE2 Flooding
- CE5 Air Quality

## **Carbon Offsetting**

### **Threshold**

- 11.2 All residential units in a major residential development. A major development is defined in the glossary.

### **Requirements**

- 11.3 It is recognised that the emission of carbon dioxide can be lowered by reducing the amount of heat and energy we used in our buildings, through energy efficient design, materials and construction.

- 11.4 The London Plan and Local Plan both seek to ensure that new development proposals make the fullest contribution to minimising emissions in accordance with targets for minimum standards which are designed to lead to zero carbon residential buildings. The Mayor's Housing SPG confirms the London Plan policy on 'zero carbon' homes. Zero carbon homes are defined as 'homes that form part of major development applications where the residential element of the application achieves at least a 35 per cent reduction in regulated carbon emissions (beyond Building Regulations Part L 2013) on-site'. The remaining regulated carbon emissions up to 100 per cent are to be offset through a cash in lieu contribution. Policy CE1 of the Local Plan requires an assessment to demonstrate that major residential development meets these carbon reduction requirements set out in the London Plan.
- 11.5 Where an energy assessment demonstrates that the carbon savings required cannot be delivered on-site, the remaining regulated emissions will incur a charge in the form of a cash in lieu payment to the Council's carbon offset fund which will be secured through a legal agreement.
- 11.6 The Council has adopted the Mayor's current carbon offset price. For all residential units in major residential developments the payment required is based on the nationally recognised 'Zero Carbon Hub' price per tonne of carbon dioxide of £60, offset over 30 years as set out in the Mayor's Sustainable Design and Construction Supplementary Planning Guidance. At present, this gives an overall price of £1,800 (£60 x 30 years) per tonne of carbon to be offset. The tonnes of carbon that will need to be offset should be clearly set out in the applicant's energy statements as recommended in the GLA's Energy Planning Guidance.
- 11.7 The new draft London Plan includes a new recommended carbon offset price based on a nationally recognised non-traded price of £95 per tonne which was tested as part of the London Plan viability assessment. The Mayor has prepared Carbon Offset Funds guidance<sup>22</sup> and intends the updated carbon offset price to be the price borough's adopt, unless they have set their own local price. The Mayor will review the carbon offset price regularly and the most recently updated price will apply in this borough. It is expected that once the New Draft London Plan is adopted the price per tonne of carbon will change from the current £60 to £95.

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<sup>22</sup> Carbon Offset Funds: GLA guidance for London's Local Planning Authorities on establishing carbon offset funds (October 2018)  
[https://www.london.gov.uk/sites/default/files/carbon\\_offset\\_funds\\_guidance\\_2018.pdf](https://www.london.gov.uk/sites/default/files/carbon_offset_funds_guidance_2018.pdf)

### **Carbon Offset Fund Formula**

Where an energy assessment demonstrates that the carbon savings required cannot be delivered on-site, a payment in lieu to the Council's carbon offset will be payable on the remaining regulated emissions calculated using the following formula:

A- Tonnes of carbon to be offset

*Multiplied by*

B - £1,800 (this cost will be updated by the Mayor following regular reviews)<sup>23</sup>

### **Guidance**

A – This is CO<sub>2</sub> emitted from development (tonnes) per year less CO<sub>2</sub> target emissions (tonnes) per year and should be clearly set out in an energy assessment for the development

B- Mayor's most recent Carbon Offset Price

- 11.8 Contributions to the Council's Carbon Offset Fund will be spent on measures that will reduce carbon emissions in the borough such as retro-fitting the existing housing stock with energy efficiency measures or the funding of renewable energy generation on existing public buildings.

## **Renewable and Decentralised Energy**

### **Threshold**

- 11.9 All major developments. A major development is defined in the glossary.

### **Requirements**

- 11.10 The Local Plan states the Council's intention to take a leading role in identifying new and existing opportunities for decentralised heat and energy networks through heat and energy master planning. To deliver this the Council, through Policy CE1 requires that carbon dioxide and other greenhouse gases in all major developments are reduced in accordance with the following hierarchy:

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<sup>23</sup> This is expected to change to £95 X 30 years = £2,850

- i. energy efficient building design, construction and materials, including the use of passive design, natural heating and natural ventilation;*
- ii. provision of on-site renewable and low-carbon energy sources;*
- iii. decentralised heating, cooling and energy supply, through Combined Cooling Heat and Power (CCHP) or similar, while ensuring that heat and energy production does not result in unacceptable levels of local air pollution in particular on site allocations such as Kensal, Wornington Green, and Earl's Court*

11.11 Where necessary the provision of on-site renewable energy and decentralised energy generation will be secured through planning obligations.

## 12. Fostering Vitality

- 12.1 Development increases opportunities for local employment, and this can support assisting local unemployed residents of the Borough into work supporting the community and local economy. Policy C1 of the Local Plan sets out the Council's approach to securing planning obligations, identifying various local employment and skills measures that may be sought through planning obligations. These could include apprenticeships, work placements, construction and STEM (Science, Technology, Engineering and Maths) careers training, job brokerage, general employment and training contributions, the provision of affordable workspace and support for local procurement initiatives. The Mayor of London is also clear that strategic development proposals should support local employment, skills development and training opportunities.
- 12.2 The Council will require that opportunities for the employment, training and support of local labour are provided throughout the construction phase of a development and for the end use of (non-residential) development. Opportunities will include training, work experience, apprenticeships and direct employment of local residents. Local supply of goods and services to development supports the maintenance of a sustainable local economy which in turn provides further employment opportunity for residents.

### ***Policy and Guidance***

#### **London Plan**

- 4.12 Improving Opportunities for all
- 5.3 Sustainable Design and Construction

#### **Emerging Draft London Plan Policies (2019)**

- E8 Sector growth opportunities and clusters
- E11 Skills and opportunities for all

#### **Local Plan**

- C1 Infrastructure and Planning Obligations

### **Construction Phase – Skills Training and Employment Jobs Target**

#### **Threshold**

- 12.3 All major developments will be required to provide local employment and make a contribution for construction training for local residents. A major development is defined in the glossary.

## Requirements

### Employment and training opportunities to be created

- 12.4 The Council will seek to secure access to a range of apprenticeship, training and employment opportunities for residents. These must be created by the developer and/or their suppliers on site. The training and apprenticeship placements target will be calculated as follows:
- Create new apprenticeships for local people – 1 apprentice per 1,500 sqm (GIA) of all floor space where works last at least 52 weeks
  - Create full time paid work placements – 1 placement per 20 units residential or 1,000 sqm (GIA) of all commercial floor space
  - Create unpaid work experience for 2 weeks– 1 placement per 20 units residential or 1,000 sqm (GIA) of all commercial floor space
- 12.5 The plan to create the above opportunities and the ways in which they will be realised locally are to form part the Training, Employment and Business Strategy (TEBS) for the site as below.

### Training, Employment and Business Strategy

- 12.6 The legal agreement will require the applicant/developer to prepare a TEBS. This strategy document sets out the approach and considerations taken by the developer and/or main contractor that address the local economic needs of residents and impact and potential benefits to local businesses. Targets around employment, training and skills development will be set within an Employment and Skills Plan (ESP), a TEBS delivery document. The ESP will need to be agreed with the Council's Economic Development Team and will be expected to include, as a minimum:
- **An Employment and Skills Plan:** The developer will need to produce an employment and skills plan, which forms part of the TEBS, outlining the approach they will take to delivering target employment, apprenticeship outcomes and engagement with schools and education providers.
  - **A single point of contact** between the Council's Economic Development Team and Developer (or Workplace co-ordinator where appropriate): To manage demand and to provide regular skills forecasting updates. The point of contact will be the developer responsible for developing the site. As construction starts, the point of contact may change to or include an on-site contact.
  - **Notification of vacancies:** Arrangement should be put in place for the notification of job vacancies, arising from construction, to the Council (Economic Development Team) and/or any other

agency nominated by the Council. The Council would expect all employment outcomes to be paid at, at the very least, a minimum rate of National Living Wage with an ambition to achieve the London Living Wage. The Council will require the monitoring of the proportion of residents employed during the development through submission of a regular report by the developer to the Council's Economic Development Team.

- **Trainee/Apprenticeship Placements:** As set out in paragraph 12.4 above
- **Accredited Training:** Training opportunities must follow an accredited framework, to provide trainees with the right level of skills to enter and sustain employment within the construction sector. Generally, a minimum of NVQ Level 2 (e.g. CITB Construction Skills Modern Apprenticeship) for trainees will be sought, which will require the developer (either directly or via the build contract and supply chain) to employ trainees and support day release arrangements until attainment of their qualification. Wider STEM career opportunities should follow established pathways and lead to sustainable progression. The Council expects all apprenticeships, regardless of kind, to be paid at National Minimum Wage.
- **School Engagement:** Engagement in School careers programmes through supporting careers events or programmes and offering opportunities for learners to engage in relevant skills and awareness programmes.
- During the construction phase of the development to provide opportunities for local businesses to bid/tender for the provision of goods and services to the property.

12.7 On qualifying schemes with an anticipated construction cost over £30 million, the Council will expect a more comprehensive Employment and Skills Plan to be designed by the developer (in conjunction with the Council's Economic Development Team). A template will be provided by the Council's Economic Development Team.

***Construction Phase – Skills Training and Employment Jobs Target***

The developer will prepare a TEBS and agree this with the Council's Economic Development Team prior to implementation.

The target opportunities to be made available to borough residents are to be calculated using the following:

- 1 apprentice per 1,500sqm (GIA) of all floor space where works last at least 52 weeks
- 1 paid placement per 20 units residential or 1,000sqm (GIA) of all commercial floor space
- 1 unpaid placement per 20 units residential or 1,000sqm (GIA) of all commercial floor space

- 12.8 In exceptional circumstances where the agreed local employment and training opportunities cannot/have not been created on site, the Council will seek to support activity to source alternative placements elsewhere. This will be the equivalent to £7,000 per placement not created.

**Construction Phase – Skills Training and Employment Jobs  
Target: Non-Compliance Contribution**

In exceptional cases where the required target for the number of trainee/apprenticeship placements is not met on-site, a planning contribution will be payable to enable equivalent opportunities. This will be calculated using the following formula:

A – Total Number of apprentices/paid work experience/unpaid work experience placements target

*Less*

B- The total number of apprentices/paid work experience/unpaid work experience placements provided and filled by the developer

*Multiplied by*

C - £7,000

**Guidance**

A – number of apprenticeships/paid work experience/unpaid work experience calculated as set out in paragraph 12.4.

B – established through monitoring by Economic Development Team and the developer

C – the cost of engaging and supporting local residents into employment based on Learning & Work and the National Audit Office data and the cost of finding an alternative position elsewhere.

**Construction Phase – Skills and Training Contribution**

**Financial Contribution**

- 12.9 The Council will seek a financial contribution from all major development (see paragraph 12.3 above) to support activities including the outreach, engagement and recruitment of local people and to provide initial training, pre-employment support and ongoing skills development. These could also include career advice and pathways development into the built environment and related sectors.

### **Construction Phase – Skills and Training Contribution**

A - Number of apprentices/paid work experience/unpaid work experience

*Multiplied by*

B - Cost of supporting local resident into employment £3,500

#### **Guidance**

A – number of apprenticeships/paid work experience/unpaid work experience calculated as set out in paragraph 12.4.

B – based on the Learning & Work and the National Audit Office data (NB. the cost of training will be index-linked and reviewed annually by the Economic Development Team).

- 12.10 The Council may establish a bespoke agreement in keeping with the nature and impact of the site and the link to the employment, skills and business opportunities that the development and end use of the site will generate on larger construction schemes defined as £30 million in construction contract value.

## **End-User Employment & Training Contributions**

### **Threshold**

- 12.11 All major non-residential developments will be required to support local employment and training and make a contribution to enable outreach support to local residents in their operational phase. A major development is defined in the glossary. Additionally, any development that is likely to employ in excess of 50 employees will be required to make a contribution towards training measures.

### **Requirements**

- 12.12 In order to maximise employment opportunities for local people who need work, the Council will seek to secure planning obligations relating to job-brokerage and skills training from all new major developments. These obligations will be utilised for the recruitment and development of skills and career paths of local people. This reduces travel to work distance, increases local household income, skill levels and career opportunities and helps community cohesion. For specific major developments, there will be a requirement for a local recruitment strategy and working towards achieving a certain proportion of local employment.

- 12.13 The contribution required will be related to the number of jobs created by the development. The formula takes account of the likely number of jobs created by the development, and the target number of jobs for local residents in need of training and assistance to access the types of jobs being created.

***End-User Employment & Training Contributions Formula***

A - Net new floor area divided by number of employees per sq m =  
Number of new jobs created

*Multiplied by*

B - Current proportion of unemployed residents in the Borough  
(reviewed every 2 years) 8%

*Multiplied by*

C - Cost of supporting local unemployed resident into employment  
£3,500

***Guidance***

A – Number of jobs created based on the most up-to-date  
Employment Density Guide (currently HCA 2015)

B – Proportion of RBKC residents unemployed and seeking work. This  
will be reviewed every two years by Economic Development Team.

C – based on the Learning & Work and the National Audit Office data  
(NB. the cost of training will be index-linked and reviewed annually by  
the Economic Development Team).

## Use of Local Suppliers

### Threshold

- 12.14 All major developments will be required to promote the use of local suppliers. A major development is defined in the glossary.

### Requirements

- 12.15 The promotion of local procurement also reduces the level of travel involved during the construction process, increasing the overall sustainability of the development.
- 12.16 During the construction phase of the development and occupation of the property developers are required to:
- To work with the Council's Economic Development Team and any contractor appointed to deliver the Local Procurement Initiative, to aim to achieve the objectives set out in the Local Procurement Code; the procurement of construction contracts and goods and services from SMEs based in Kensington and Chelsea towards a target of 10 per cent of the total value of the construction contract, excluding professional fees incurred or committed to prior to the development receiving planning consent by means of Directory Local Suppliers and Performance Monitoring.
  - To provide opportunities for local businesses to bid/tender for the provision of goods and services to the property.
  - To provide opportunities for local businesses to bid/tender for the provision of facilities management services and other post construction supply of goods and services.
- 12.17 For developments over the size threshold set out in the table below, a financial contribution from the developer/owner will also be required toward the costs of facilitating this process. The contribution will be used for engaging local small and medium size enterprises, business support with accreditation and due diligence, identifying and screening appropriate local enterprises, help with tendering, engagement with developers and their contractors to understand their requirements , periodic Meet the Buyer and Supplier events, business briefing events, maintaining a directory of local suppliers and performance monitoring or any other items covered by the Local Procurement Code. The table below shows the scale of fees for different size bands:

Size band (GIA)	4,000 10,000m <sup>2</sup>	10,000 – 40,000m <sup>2</sup>	>40,000m <sup>2</sup>
Total fees	£6,400	£8,300	£12,800

\*The charges may be revised through periodic updates of the Local Procurement Code

- 12.18 In the case of large scale projects with multiple construction phases, a fee will be charged for each phase with the above fee scale.

### **Central London Forward**

- 12.19 The Council co-operates with the Central London Forward boroughs on local training initiatives. Central London Forward is a sub-regional strategic organisation representing the eight central London local authorities. The member local authorities of Central London Forward are Camden, City of London, Islington, Kensington and Chelsea, Lambeth, Southwark, Westminster, and Wandsworth.
- 12.20 Local labour targets must be filled by Kensington and Chelsea residents. In exceptional cases and only in consultation with the Council's Economic Development Team, if this cannot be achieved, the Council may require that developers seek to meet these obligations with residents of the Central London Forward, or this council's neighbouring boroughs (London Borough of Hammersmith and Fulham, and Brent). This requirement will be considered on a case by case basis and the details will be secured through the TEBS.

## 13. Planning Contributions from Nil CIL Development

- 13.1 Planning contributions will be required from developments which have a nil CIL rate (industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses) to mitigate specific development impacts. The impacts will be assessed on a case by case basis and an appropriate planning contribution sought. The following sections set out the approach that will be followed in these cases. The approach to Opportunity Areas is set out at section 5.

### Library Facilities

- 13.2 New commercial developments with an increased workforce population in the vicinity of local libraries will increase the demands on the Council's library services and capacity constraints.
- 13.3 The six Borough library buildings - three of which were purpose-built - range in age from twenty to a hundred and forty years.
- 13.4 The Council is implementing an innovative long-term 'Library Transformation Strategy' for all libraries in the Borough. This will include improving ways to access library services for all people who use libraries whether for leisure or learning.

#### ***Policy and Guidance***

##### **Local Plan**

CK1 Social and Community Uses

CK3 Walkable Neighbourhoods and Neighbourhood Facilities

C1 Infrastructure Delivery and Planning Contributions

### Threshold

- 13.5 Major development proposals for industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses which have a nil CIL, will be required to make a contribution to Library facilities. A major development is defined in the glossary.

### Requirements

- 13.6 For non-residential development, experience and practice elsewhere demonstrates that one fifth of library users are from outside of the Borough, and use Borough libraries due to convenience to their workplace. Therefore, contributions will be sought from commercial developments over the threshold, using information on number of employees from the planning application, or from standard worker/floorspace ratios.

13.7 The cost of provision per square metre of library floor space including equipping space is given on an annual basis. It excludes land purchase costs.

13.8 Contributions secured through legal agreements will be spent on the following:

- New library provision and/or improvement works to the existing public library provision to increase capacity for use; and/or
- The provision of new library books and IT equipment to meet new population demand.
- The Museums and Libraries Archive Council (MLA) recommends that local planning authorities adopt £90 per person for libraries from developments.

#### ***Libraries Contributions Formula***

A – Number of employees'

*Multiplied by*

B - 0.2

*Multiplied by*

C - £90\*

\*This is £18 per employee *Multiplied by* number of employees'

#### ***Guidance***

A – Number of jobs created based on the most up-to-date Employment Density Guide (currently HCA 2015)

B - 0.2 to reflect that a proportion of library users are from outside the borough

C – Cost per head of employee (based on Arts Council, Museum and Libraries Archive)

## Sports and Leisure

- 13.9 The Council's objective is to ensure that there is a high quality of provision of sports facilities throughout the Borough.
- 13.10 Three main public leisure centres serve the Borough - Kensington Leisure Centre, Chelsea Sports Centre and the Westway Sports and Fitness Centre. All of these have had recent significant investment to improve provision and accessibility.
- 13.11 It is an aim of the borough's Community Sport and Physical Activity Strategy 2018-2023<sup>24</sup> to improve the health and well-being of Borough residents by increased physical activity.

### ***Policy and Guidance***

#### **London Plan**

3.16 Protection and Enhancement of Social Infrastructure

#### **Local Plan**

CK1 Social and Community Uses

CK3 Walkable Neighbourhoods

C1 Infrastructure Delivery and Planning Contributions

RBKC Sport and Physical Activity Strategy 2018 -2023

### **Threshold**

- 13.12 RBKC is under provided in various sports facilities for a Borough of its population size. Major development proposals for industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses which have a nil CIL will be required to make a contribution to sports and leisure facilities. Sports facilities development (within D2 use), will not contribute to sports and leisure planning contributions. A major development is defined in the glossary.

### **Requirement**

- 13.13 The borough's Community Sport and Physical Activity Strategy identifies a lack of indoor sports provision particularly in the south of the Borough. This may be addressed by the Council's long term ambition to improve existing facilities and the ambition of the K&C Community Sport and Physical Activity Network to increase access to indoor space at a variety of facilities including non-traditional venues.
- 13.14 Nil CIL Developments likely to increase pressure on facilities will be required to contribute to address the needs arising from future

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<sup>24</sup>

[https://www.rbkc.gov.uk/sites/default/files/atoms/files/Community\\_Sport\\_and\\_Physical\\_Activity\\_Strategy\\_2018\\_2023\\_0.pdf](https://www.rbkc.gov.uk/sites/default/files/atoms/files/Community_Sport_and_Physical_Activity_Strategy_2018_2023_0.pdf)

development. These will be from commercial developments where additional employees will place an additional burden on resources.

- 13.15 On-site provision of facilities in major mixed use schemes will be encouraged in appropriate locations or sites. Normally however, obligations will be for off-site financial contributions which will be used to provide new facilities and/or to improve existing facilities in accordance with Sport and Physical Activity Strategy.

#### ***Sport and Leisure Contributions Formula***

A – Number of new employees

*Multiplied by*

B - 0.2

*Multiplied by*

C - £363\*

\*The formula can also be expressed as £72.60 per employee  
*Multiplied by* number of employees

#### ***Guidance***

A – Number of jobs created based on the most up-to-date Employment Density Guide (currently HCA 2015)

B - 0.2 to reflect that a proportion of users from commercial development are from outside the borough

C – cost per head of number of new employees. The amount is based on Sport England toolkit of required provision with the borough, in terms of population.

### **Parks and Open Space**

- 13.19 The provision of adequate parks, open space and play space is a priority for the Council. Additional population from new developments will create additional demand for open space and increased use of existing parks and open space. Some developments may incorporate facilities within their design to meet the need generated. Where this is not the case planning obligations will be sought to improve local parks and open space facilities.
- 13.20 The ratio of open space to the population in Kensington and Chelsea is

by far the lowest in London (1ha serving 3,867 population) followed by The London Borough of Islington (1ha serving 1,990 population).

- 13.21 The Fields in Trust (formally the National Playing Fields Association) Standards<sup>25</sup> suggests a standard ratio of Informal Outdoor Space to be in the range of 0.6 - 0.8 ha per 1000 population, this is not met within the borough.

### ***Policy and Guidance***

#### **London Plan**

2.18 Green Infrastructure: The multifunction Network of Green and Open Spaces

3.16 Protection and Enhancement of Social Infrastructure

7.18 Protecting Open Space and Addressing Deficiency

#### **Local Plan**

CK1 Social and Community Uses

CK3 Walkable Neighbourhoods and Neighbourhood Facilities

CR5 Parks, Gardens, Open Spaces and Waterways

C1 Infrastructure Delivery and Planning Contributions

RBKC Parks Strategy 2016 -2025

### **Threshold**

- 13.22 Major development proposals for industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses which have a nil CIL, will be required to make a contribution to Parks and Open Spaces. Sports facilities development (within D2 use), will not contribute to parks and open spaces planning contributions. A major development is defined in the glossary.

### **Requirement**

- 13.23 Policy CR5 requires new high quality outdoor spaces to be provided:

*d. require development to make planning contributions towards improving existing or providing new publicly accessible open space which is suitable for a range of outdoor activities and users of all ages;*

*e. require all major developments to provide onsite external play space, including for under-fives based on expected child occupancy*

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<sup>25</sup> <http://www.fieldsintrust.org/guidance>

13.24 The Council has published a ten-year Parks Strategy<sup>26</sup> that introduces management plans for individual parks and playgrounds and comes with capital investment to realise these plans. Contributions will be used to sustain and improve the quality of the Borough's parks to support the four priority themes:

- Provide a balance of leisure facilities and quiet open space across the borough, so that its parks and green spaces can be enjoyed by all and no park is overwhelmed by activity.
- Ensure the parks are safe places to visit and enjoy, demonstrate best practice in tackling crime and disorder, and ensure that parks are acknowledged to be safe.
- Manage the long- term resilience of the parks in relation to usage, biodiversity and climate change.
- Maximise funds by harnessing external resource (where this fit the park interests)

13.25 In cases where usable and sufficient open space can be provided on site and/or in the immediate vicinity of the site, this will be pursued and is the preferred approach. However, in most instances this will be not be practical and a financial contribution will be sought instead.

13.26 Parks and open space financial contributions will be applied to local area improvements, to achieve Parks & Open Space strategy aims. Where development takes place in areas deficient in public open space, funding will be directed towards the provision of new open space and the improvement of existing open space. Provision of open space on site, within development schemes, will count towards the overall contribution.

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<sup>26</sup> <https://www.rbkc.gov.uk/sites/default/files/atoms/files/Parks%20Strategy%202016-2025.pdf>

### ***Parks and Open Spaces Contributions Formula***

A – Number of new employees

*Multiplied by*

B – 0.2

*Multiplied by*

C – £482\*

\*The formula can also be expressed as £96.40 per employee *Multiplied by* number of new employees

### ***Guidance***

A – Number of jobs created based on HCA Employment Density guidelines (2015)

B - 0.2 to reflect that a proportion of users from commercial developer are from outside the borough

C – cost per head of new employee

## Air Quality

- 13.27 The Council has published a separate SPD<sup>27</sup> on Air Quality, and has an Air Quality and Climate Change Action Plan (ACCQAP)<sup>28</sup> for the borough. This aims to help reduce exposure to air pollution across the borough.

### ***Policy and Guidance***

#### **London Plan**

7.14 Improving air quality  
Mayor's Air Quality Strategy

#### **Local Plan**

CE5 Air Quality  
Air Quality SPD  
Air Quality and Climate Change Action Plan

### **Threshold**

- 13.28 Major development proposals for industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses which have a nil CIL, will be required to make a contribution to Air Quality. A major development is defined in the glossary.

### **Requirements**

- 13.29 Policy CE5 of the Local Plan requires an air quality assessment for all major development and the developments impacts to be mitigated through physical measures. Where this cannot be achieved onsite a financial contribution will be sought towards:
- The Council's cost of monitoring compliance with any planning obligation agreement and related planning conditions which have direct effect on air quality
  - Contributions towards the Council's air quality monitoring and action planning

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<sup>27</sup> <https://www.rbkc.gov.uk/planning-and-building-control/planning-policy/supplementary-planning/air-quality-spd>

<sup>28</sup> <https://www.rbkc.gov.uk/environment/air-quality/air-quality-and-climate-change-action-plan-2016-2021>

### ***Air Quality Formula***

A – Amount of new commercial floorspace in m2 (GIA)

*Multiplied by*

B – £10 per m2

### ***Guidance***

A – Provided by applicant

B – Average cost of air quality monitoring stations including maintenance of equipment, monitoring data and/or air quality actions on site to ensure their compliance with planning requirements

## **Community Safety, Policing resources and other emergency services**

- 13.30 Development resulting in the net increase in the number of residents, businesses, commercial, social and leisure activity in an area will increase the need for community safety, policing and other emergency services. In parts of the Borough police services will already be at capacity. New populations will require additional police services.
- 13.31 The promotion of good design to design out crime is the primary means of addressing community safety in the planning system. However, there will be instances where the nature of development will create the requirement for additional management measures to be put in place to tackle risks of access and security in the area of development.

## ***Policy and Guidance***

### **London Plan**

7.13 Safety, Security and Resilience to Emergency

### **Local Plan**

CK1 Social and Community Uses

CK3 Walkable Neighbourhoods and  
Neighbourhood Facilities

C1 Infrastructure Delivery and Planning Contributions

CR1 Street Network

CL2 Design Quality

## **Threshold**

- 13.32 The Council will seek advice from the Metropolitan Police Authority to define areas deficient in police resources and where development will increase demands on police services. This will apply to major commercial developments that are nil CIL uses (industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses) will be required to make a contribution to Policing resources and other Emergency services, if required to mitigate specific impacts of the development. A major development is defined in the glossary.

## **Requirement**

- 13.33 Direct provision by the developer, the end user, or financial contributions will be sought where appropriate to secure facilities or services to improve community safety, policing and emergency services in the vicinity of the development. These will be established through review of the development impacts and may include:

- Designing out crime measures in the community, including measures to tackle terrorism
- CCTV camera installation, coverage, and monitoring arrangements.
- Additional Community Police Officers relating to the policing needs of the area

## ***Direct Developer Delivery***

Secured on a case by case basis dependent on the specific impact of the development proposal identified by the Council's Community Safety Team and Metropolitan Police Authority.

# 14. Delivery of Planning Obligations

## Monitoring

- 14.1 It is important that developers entering into s106 planning obligations know where, when and how their money will be spent. The Planning and Place directorate takes a strategic lead on the overall receipt, monitoring and programme management of financial contributions, working with other parts of the Council and relevant external agencies such as TfL.
- 14.2 Planning obligations are enforceable by the Council as the local planning authority under the Town and Country Planning Act 1990. Payments are usually required on commencement of development unless otherwise specified in the agreement to be phased according to impact and need. The total value of the agreed planning obligation will exclude the monitoring costs set out in this section. These are additional and will be added to the final cost.
- 14.3 The Council maintains records of financial and non-financial planning obligations including details of the developments site, relevant dates for the receipt of funds, the purpose of the obligation and the level of funding. Developers or interested parties are welcome to contact the Council to enquire as to the use and status of planning obligations. The value of contributions agreed and received is also reported annually in the Planning and Place Monitoring Report<sup>29</sup>. The amended CIL Regulations requires local authorities to publish an Infrastructure Funding Statement by 31 December 2020 and thereafter by 31 December each year.
- 14.4 Ensuring planning obligations are met over time requires monitoring and the input from a number of Council departments. As the Council starts managing and monitoring each legal Agreement/Unilateral Undertaking from the moment it is signed, payment will be required at this stage.
- 14.5 Fees will be charged by the Council under section 111 of the Local Government Act 1972 and Section 1 of the Localism Act 2011. The government acknowledged the cost burdens to local authorities associated with monitoring and reporting of s106 agreements and permits monitoring fees to be charged. This is reflected in the amended CIL Regulations which came into effect 1 September 2019. The value of the fee will be:

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<sup>29</sup> <https://www.rbkc.gov.uk/planning-and-building-control/planning-policy/monitoring-report>

### ***Monitoring***

- For a legal agreement with a total financial contribution below £15,000 there will be a fixed charge of £600
- For legal agreements with financial contributions of £15,000 or more there will be a fee of 2.5 per cent on the total value of contributions or a fixed fee of £600 whichever is the higher amount.
- For an agreement with non-financial obligations there will be a separate fixed charge of £600.

14.6 The government proposes to provide guidance on the methods that could be used to calculate monitoring fees, therefore the approach may be refined when this is available.

## 15. Glossary

**Affordable housing.** As defined in the NPPF, Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the definitions for: affordable housing for rent, starter homes, discounted market sales housing and other affordable routes to home ownership.

**Benchmark Land Value.** Benchmark Land Value is used in viability assessments. It is the value below which the current / existing use will be retained on-site and land will not be released for development.

**Carbon dioxide (CO<sub>2</sub>).** Carbon dioxide is a naturally occurring gas comprising 0.04 per cent of the atmosphere. The burning of fossil fuels releases carbon dioxide fixed by plants many millions of years ago, and this has increased its concentration in the atmosphere by some 12 per cent over the past century. It contributes about 60 per cent of the potential global warming effect of man-made emissions of greenhouse gases.

**Central Activities Zone (CAZ).** The Central Activities Zone is a Mayoral designation set out within the London Plan. The boundary is set by individual boroughs. It is the area where planning policy promotes finance, specialist retail, tourist and cultural uses and activities.

**Community Infrastructure Levy (CIL).** The mandatory charge on development which Local Planning Authorities are empowered to make in order to fund local infrastructure requirements. A levy allowing local authorities to raise funds from owners or developers of land undertaking new building projects in their area. A portion of the levy is to be spent on local priorities; this is called Neighbourhood CIL and sits outside of the planning contributions SPD. The neighbourhood portion is 15 per cent of CIL revenues and 25 per cent where a neighbourhood plan has been made.

**Crossrail 1.** The first line in the Crossrail project. Crossrail 1 is an east–west, cross-central London rail link between Paddington and Whitechapel serving Heathrow Airport, Canary Wharf and Stratford. It will serve major development and regeneration corridors, and improve access to large areas of central and suburban London. The services that will use the rail link from December 2018 will be known as the ‘Elizabeth Line’.

**Crossrail 2.** This is a proposed new railway serving London and the wider South East. It would connect the National Rail networks in Surrey and Hertfordshire, via new tunnels and stations between Wimbledon, Tottenham Hale and New Southgate, linking in with London Underground, London Overground, the Elizabeth Line (Crossrail 1), national and international rail services. The route was safeguarded in 1991 (and subsequently refreshed in 2008) and a station in King’s Road

located between 250 King's Road and 151 Sydney Street near Chelsea Old Town Hall is proposed.

**Elizabeth Line.** The first line in the Crossrail project (see also Crossrail 2). The Elizabeth Line is an east–west, cross-central London rail link between Paddington and Whitechapel serving Heathrow Airport, Canary Wharf and Stratford. It will serve major development and regeneration corridors, and improve access to large areas of central and suburban London. Crossrail 1 will be known solely as the Elizabeth Line on commencement of operations in 2018.

**Habitable room.** For planning purposes, a habitable room is usually defined as any room used or intended to be used for sleeping, cooking, living or eating purposes. Enclosed spaces such as bath or toilet facilities, service rooms, corridors, laundries, hallways, utility rooms or similar spaces are excluded from this definition. In some circumstances, a large kitchen or kitchen dining room may be counted as a habitable room (paragraph 1.3.19 Mayor's Housing SPG, 2016). For the purposes of density calculations solely only kitchens of above 13sqm. count as habitable rooms.

**Homes and Communities Agency (HCA).** A statutory public body whose role is to fund and regulate Registered Providers in England. From April 2012, the HCA's London functions have been devolved to the GLA.

**Legal Agreements.** These agreements confer planning obligations on persons with an interest in land in order to achieve the implementation of relevant planning policies as authorised by section 106 of the Town and Country Planning Act 1990. These may be used to help mitigate the specific impact of a development where it would generate additional needs e.g. on community infrastructure. Planning Obligations are calculated on a case by case basis.

**Local Plan.** The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as a development plan document adopted under the Planning and Compulsory Purchase Act 2004. The Local Plan is available at [www.rbkc.gov.uk](http://www.rbkc.gov.uk).

**London Plan.** This is prepared by the Mayor of London and is part of the Council's development plan.

**Major development.** Major development is defined in the Town and Country Planning (Development Management Procedure) (England) Order 2015. Generally major developments are:

- Residential development where 10 or more homes are to be provided, or the site area is 0.5 hectares or more;
- Non-residential development, where the floorspace is 1,000 sq m or more, or the site area is 1 hectare or more.

**Mayoral CIL.** The mandatory charge on development which the Mayor of London charges in order to fund Crossrail.

**National Planning Policy Framework (NPPF).** This sets out the Government's planning policies for England and how these are expected to be applied. It sets out the Government's requirements for the planning system only to the extent that it is relevant, proportionate and necessary to do so. It provides a planning framework within which local people and the Council can produce their own distinctive local and neighbourhood plans, to reflect the needs and priorities of their local communities.

**Opportunity Areas.** A Mayoral designation set out within the London Plan. These are the areas which are London's principal opportunities for accommodating large scale development to provide substantial numbers of new employment and housing, each typically more than 5,000 jobs and/or 2,500 homes, with a mixed and intensive use of land and assisted by good public transport accessibility. The Mayor of London may publish Opportunity Area Planning Frameworks (OAPFs). These frameworks provide a sustainable development programme for Opportunity Areas. The frameworks may be prepared by the GLA Group, boroughs, developers or partners while planning frameworks will have a non-statutory status, it will be up to boroughs to decide how to reflect the proposals in planning frameworks within their development plans and SPDs.

**Permit-free.** A restriction that removes the eligibility of residents within permit-free developments to have on-street residents' parking permits.

**Planning Contributions:** This could refer to either a Planning Obligation / Section 106 Agreement (s106) or Community Infrastructure Levy (CIL).

**Planning Obligation.** A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impact of a development proposal. (See also Section 106 Agreements).

**Public realm.** This is the space between and within buildings that are publicly accessible, including streets, squares, forecourts, parks and open spaces.

**Registered Provider (RP).** The formal collective name given to Housing Associations and similar organisations.

**Renewable energy.** Energy derived from a source that is continually replenished, such as wind, wave, solar, hydroelectric and energy from plant material, but not fossil fuels or nuclear energy. Although not strictly renewable, geothermal energy is generally included.

**Residual Land Value.** Residual land value is determined through deducting development costs from development value to ascertain the remaining value that is available to pay for land. A development is typically deemed to be viable if the residual land value is equal to or higher than the benchmark land value (defined above), as this is the

level at which it is considered that the landowner has received a 'competitive return' and will release the land for development.

**Supplementary Planning Document (SPD).** Documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.

**Transport for London (TfL).** One of the GLA group organisations, accountable to the Mayor, with responsibility for delivering an integrated and sustainable transport strategy for London.

# Appendix A – Summary of Contributions

Non-Financial Contribution					
Planning Contribution	Minor Residential Units	Major Residential	Minor Commercial	Major Commercial	Requirement
Highways and Traffic Works	Y	Y	Y	Y	Mitigation measures to be identified through a transport assessment and secured on a case by case basis.
Public Transport	Y	Y	Y	Y	Mitigation measures to be identified through a transport assessment and secured on a case by case basis.
Parking Restrictions	Y	Y	Y	Y	Permit free to be secured through legal agreements as per Transport and Streets SPD (2016).
Travel Plans		Y 80 residential units or more		Y Commercial developments of more than 2500m <sup>2</sup> (26,896ft <sup>2</sup> ) GFA; retail developments of 1000m <sup>2</sup> (10,758ft <sup>2</sup> ) or more; hotels with 50 beds or more; and schools or childcare facilities of any size	Measures to be identified through a Travel Plan and secured on a case by case basis.
Renewable and Decentralised Energy		Y		Y	The provision of on-site renewable energy and decentralised energy generation will be secured through planning obligations
Construction Phase – Skills Training and Employment Jobs Target		Y		Y	1 apprentice per 1,500sqm (GIA) of all floor space where works last at least 52 weeks  1 paid placement per 20 units residential or 1,000sqm (GIA) of all commercial floor space  1 unpaid placement per 20 units residential or 1,000sqm (GIA) of all commercial floor space
Use of Local Suppliers target		Y		Y	To be set out in legal agreement. 10 Per cent of total value of construction contract to be procured from SME's based in RBKC.  Gross development costs  <i>Multiplied by</i>

**Non-Financial Contribution**

Planning Contribution	Minor Residential Units	Major Residential	Minor Commercial	Major Commercial	Requirement
					0.10
Community Safety, Policing and Emergency Services				Y	<p>Direct provision by the developer, the end user, or financial contributions will be sought where appropriate.</p> <p>Established on a case by case basis dependent on the specific impact of the development proposal identified by the Council's Community Safety Team and Metropolitan Police Authority.</p>

**Financial Contribution**

Planning Contribution	Minor Residential Units	Major Residential*	Minor Commercial	Major Commercial*	Formula
Affordable Housing	Y Sites that provide 650sqm or more gross residential GIA	Y Sites that provide 650sqm or more gross residential GIA			<p>Determined through financial viability assessments in the exceptional circumstances justified by robust evidence that on-site provision is not possible:</p> <p>Residual Land Value of the scheme with 100 per cent private housing</p> <p><i>Less</i></p> <p>Residual Land Value of the scheme with maximum reasonable amount of affordable housing on-site</p>
Public Art		Y		Y	<p>Where public art cannot be provided on-site an equivalent financial contribution:</p> <p>Value of gross development costs</p> <p><i>Multiplied by</i></p> <p>0.01</p>

**Financial Contribution**

Planning Contribution	Minor Residential Units	Major Residential*	Minor Commercial	Major Commercial*	Formula
Carbon Offsetting		Y			<p>Where an energy assessment demonstrates that the carbon savings required cannot be delivered on-site, a payment in lieu to the Council's carbon offset will be payable on the remaining regulated emissions charged at £1,800 per tonne to be offset:</p> <p>Tonnes of Carbon to be offset</p> <p><i>Multiplied by</i></p> <p>£1,800*</p> <p>*It is expected that once the New Draft London Plan is adopted the price per tonne of carbon will change from the current £60 to £95. This is expected to change to £95 X 30 years = £2,850</p>
Travel Plans		Y 80 residential units or more		Y Commercial developments of more than 2500m2 (26,896ft2) GFA; retail developments of 1000m2 (10,758ft2) or more; hotels with 50 beds or more; and schools or childcare facilities of any size	A fixed Travel Plan monitoring fee of £1,200 is payable where a Travel Plan is required.
Construction Phase – Skills Training and Employment Jobs Target: non-compliance contribution		Y		Y	<p>In exceptional cases where the required target for the number of trainee/apprenticeship placements is not met on-site, a planning contribution will be payable to enable equivalent opportunities:</p> <p>Total Number of apprentices/paid work experience/unpaid work experience placements target</p> <p><i>Less</i></p> <p>The total number of apprentices/paid work experience/unpaid work experience placements provided and filled by the developer</p> <p><i>Multiplied by</i></p> <p>£7,000</p>

**Financial Contribution**

Planning Contribution	Minor Residential Units	Major Residential*	Minor Commercial	Major Commercial*	Formula
Construction Phase – Skills and Training Contribution				Y	<p>A financial contribution to support activities including the outreach, engagement and recruitment of local people and to provide initial training, pre-employment support and ongoing skills development will be sought:</p> <p>Number of apprentices/paid work experience/unpaid work experience placement target</p> <p><i>Multiplied by</i></p> <p>Cost of supporting local unemployed resident into employment £3,500</p>
End-User Employment & Training Contributions				Y Or any development that is likely to employ 50 employees or more	<p>Net new floor area divided by number of employees per sq m = Number of new jobs created</p> <p><i>Multiplied by</i></p> <p>Current proportion of unemployed residents in the Borough (reviewed every 2 years) 8 per cent</p> <p><i>Multiplied by</i></p> <p>£3,500</p>
Use of Local Suppliers: Local Procurement Contribution				Y 4,000 sqm and above	<p>Development of:</p> <p>4,000 to 10,000 sqm GIA = £6,400            10,000 to 40,000 sqm GIA = £8,300            &gt;40,000 sqm GIA = £12,800</p>
Library Facilities				Y Industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses which have a nil CIL.	<p>Number of employees'</p> <p><i>Multiplied by</i></p> <p>0.2</p> <p><i>Multiplied by</i></p> <p>£90 per employee</p>

Financial Contribution					
Planning Contribution	Minor Residential Units	Major Residential*	Minor Commercial	Major Commercial*	Formula
Sports and Leisure				Y Industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses which have a nil CIL.	Number of new employees  <i>Multiplied by</i>  0.2  <i>Multiplied by</i>  £363
Parks and Open Space				Y Industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses which have a nil CIL.	Number of new employees  <i>Multiplied by</i>  0.2  <i>Multiplied by</i>  £482
Air Quality				Y Industrial/warehousing, offices (B1), retail uses, D1 and D2 uses and all other uses which have a nil CIL.	Where development impacts through physical measures cannot be achieved onsite a financial contribution will be sought:  Amount of new commercial floorspace in m2 (GIA)  <i>Multiplied by</i>  £10 per Sqm
Monitoring	Y	Y	Y	Y	For a legal agreement with a total financial contribution below £15,000 there will be a fixed charge of £600  For legal agreements with financial contributions of £15,000 or more there will be a fee of 2.5 per cent on the total value of contributions or a fixed fee of £600 whichever is the higher amount.  For an agreement with non-financial obligations there will be a separate fixed charge of £600.