



Central Lincolnshire
LOCAL PLAN

Planning Obligations
Supplementary Planning Document
(Formerly known as the Developer Contributions SPD)

October 2023

This Supplementary Planning Document was adopted by the Central Lincolnshire Joint Strategic Planning Committee at its meeting on 16 October 2023.

This SPD does not seek to replicate information detailed within the Planning Practice Guidance (PPG) at the time the SPD was drafted. As such this document may be subject to further review in the event that guidance changes and the relevant PPG is updated.

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1. Introduction

- 1.1. Central Lincolnshire is a geographical area which covers the Local Planning Authority areas of the City of Lincoln Council, North Kesteven and West Lindsey District Councils. The Joint Strategic Planning Committee with Lincolnshire County Council was created initially to prepare the 2012-2036 Central Lincolnshire Local Plan (Local Plan) which was adopted in April 2017. The Local Plan has since been reviewed and as such the Planning Obligations SPD has also been updated to reflect changes.
- 1.2. Central Lincolnshire continues to be a focus for significant levels of growth, as such this SPD remains an important, setting out how we will secure obligations from eligible development that contribute toward delivering new, and improving existing infrastructure that our communities need to ensure sustainable growth.

Content and Purpose of the SPD

- 1.3. An SPD does not set policy, it instead:
 - a. Explains how Planning Obligations, will be secured (including policy basis and procedures, type of contributions, methodology of calculation, timing and process of collection);
 - b. Clarifies the relationship between planning conditions, planning obligations and the Central Lincolnshire Community Infrastructure Levy (CIL);
 - c. Provides a mechanism to help ensure the timely provision of infrastructure to support growth;

This SPD comprises two parts:

- 1.4. *Part One* sets out Central Lincolnshire's overall approach to securing planning obligations. In addition, it explains how the SPD complies with national and local policy, and deals with procedural matters relating to the drafting and enforcement of Section 106 Agreements.
- 1.5. *Part Two* sets out the types of obligation that the Council's may seek to secure from development. It also identifies the relevant policy basis, types of development to which the obligation may apply, thresholds over which the obligation may be sought and, where possible the basis on which the level of obligation will be calculated.

Status of the SPD

- 1.6. This SPD was adopted by the Central Lincolnshire Joint Strategic Planning Committee at its meeting on 16 October 2023. The SPD was prepared and consulted upon in accordance with Section 4 of the Central Lincolnshire Statement of Community Involvement which relates to SPDs.
- 1.7. The 2018 Developer Contributions SPD is now superseded and has been withdrawn.
- 1.8. Whilst the SPD has been adopted by the Central Lincolnshire Joint Strategic Planning Committee the responsibility for planning application decision-making remains with the individual local authorities. Where Local Planning Authority (LPA) is used in this document it refers to the relevant District Council area the proposed development is located in: i.e. North Kesteven (NK), City of Lincoln (CoL) or West Lindsey (WL). Lincolnshire County Council covers the whole of the Central Lincolnshire and is referred to in full or abbreviated to LCC.

2. Part One

Securing Planning Obligations

- 2.1. When assessing a planning application, LPA's consider the need to apply specific conditions, restrictions, activities, operations and contributions, necessary to make the development acceptable in planning terms, when the only other alternative would be to refuse the application.
- 2.2. New development is expected to contribute to site-related and other infrastructure needs, as appropriate, through a combination of the following mechanisms: These in summary are;
 - a. Planning **conditions** (site/development-related);
 - b. Planning **obligations** to secure Planning Obligations or works in kind. These can be s106 Agreements or Unilateral Undertakings (site/development-related); Central Lincolnshire Community Infrastructure Levy (**CIL**); and/or
 - c. **Section 278 agreements** under the Highways Act 1980
- 2.3. These are defined in more detail below.

Planning Conditions

- 2.4. Planning conditions are requirements made by the LPA, in the granting of permission, to ensure that certain actions or elements related to the development proposal are carried out. These are likely to cover things such as: submission of reserved matters; controls over materials used; and the requirement to carry out work in accordance with the submitted plans such as landscaping, tree planting and drainage works.
- 2.5. Paragraph 55 of the NPPF (2021) states that LPA's should consider whether otherwise unacceptable development could be made acceptable through the use of conditions. Paragraph 56 of the NPPF states that planning conditions should only be imposed where they meet six tests (see Planning Practice Guidance). They are:
 - a. Necessary;
 - b. Relevant to planning;
 - c. Relevant to the development to be permitted;
 - d. Enforceable;
 - e. Precise; and
 - f. Reasonable in all other respects.
- 2.6. The LPA will consider whether an issue can be satisfactorily addressed through a condition, which meets the tests, before negotiating a planning agreement.
- 2.7. Where there is a choice between imposing planning conditions and entering into a planning obligation to manage the impacts of a new development, the use of planning conditions is always preferable.
- 2.8. However, planning conditions:
 - a. Cannot be used to secure financial contributions;
 - b. Cannot be used in relation to land outside of the application site; and
 - c. Can be appealed against by the applicant if they believe them to be unreasonable

- 2.9. Where the above restrictions cause an issue in appropriately mitigating the impact of development; the LPA may use a planning obligation.

Planning Obligations

- 2.10. Planning obligations are an established delivery mechanism for matters necessary to make a development acceptable in planning terms, such as infrastructure and/or services provision on or off site, and which cannot be secured by Planning Condition. These contributions can be delivered by way of physical works on or off site, land transfer or financial contributions.

- 2.11. The planning obligation is linked to the land within the planning application, rather than the person or organisation that develops the land. It is, therefore, recorded as a land charge, and the obligations under it run with the land ownership until they are fully complied with.

- 2.12. Further 'Frequently Asked Questions' and answers in relation to Section 106 planning obligations are set out in Appendix 1.

- 2.13. Section 106 (S106) of the Town and Country Planning Act 1990 states that planning contributions can be by way of "agreement or otherwise" and must be entered into by an instrument executed as a deed.

- 2.14. There are two types of legal agreement usually used for securing planning obligations, these are:

S106 Legal Agreement

- 2.15. A S106 Agreement is the most common form and is made between the LPA (and potentially LCC) with the applicant and, all other parties with an interest in the land. The agreement binds each of the parties, including the LPA, to the document and to any contributions, restrictions or commitments within it. For example, requiring a developer to provide a certain number of affordable homes or make a financial contribution which the LPA is committed to spend on a specific project.

S106 Unilateral Undertaking

- 2.16. This is an undertaking made by the applicant to the LPA to cover any planning issues with an application before planning permission is granted. It may be offered at any point during the application process, but normally where agreement has not been reached. As the word 'unilateral' conveys, the undertakings are the applicant's commitment (unlike the S106 agreement where the council is also obligated) to deliver on one or more of the specified contributions. A unilateral undertaking does not require any agreement by the LPA. The LPA may therefore have no legal input into the drafting of such agreements. However, it is considered good practice to consult and liaise with the LPA as appropriate. Equally, local authorities do not have to accept unilateral undertakings offered by the applicant if they consider all the issues have not been dealt with relating to granting planning permission. An applicant may offer a unilateral undertaking at a planning appeal against refusal, to overcome the local authority's reason(s) for refusal. It will then be for the Inspector to decide its suitability or otherwise.

- 2.17. Planning obligations will be structured, where necessary, to take account of a development's implementation timescale and phasing. They are often linked to and specify:

- a. The different agreed phases of development;
- b. When an applicant is required to undertake certain actions;

- c. When, or what event(s), (for example occupation or completion of *n*th dwelling) triggers commuted sums payment(s) to the LPA;
- d. The appropriate building cost indices to be referenced and linked for occasions when there is a delay between financial contributions being agreed (date of planning permission issue) and the date of payment; and,
- e. When a commuted sum or financial obligation has to be spent or the applicant could be reimbursed (including any interest accrued).

Community Infrastructure Levy (CIL)

- 2.18. CIL is a charge which 'charging authorities' (second tier authorities such as a district, borough or city councils) can place on applicants to help fund infrastructure. First tier local authorities (County Councils) are not charging authorities.
- 2.19. CIL has been adopted by each of the Central Lincolnshire 'charging authorities' and was implemented in early 2018. Once implemented CIL is a non-negotiable charge on all eligible developments (some development is eligible for relief). The charge is fixed within defined charging zones, for defined types of development (varying between zones) and based on a £ rate per square metre of development.
- 2.20. CIL runs alongside the existing S106 planning obligations process with some infrastructure secured by S106, and some secured by CIL. How the monies secured through planning obligations will be used is set out in each of the Charging Authorities' Infrastructure Funding Statements, which are published annually on or before 31st December of each year. This includes Lincolnshire County Council, who whilst not a Charging Authority do receive the benefit of planning obligations to deliver infrastructure such as highways and education provision across Central Lincolnshire.
- 2.21. Further information about this can be found within the CIL element of the Planning Policy Guidance and on each local authority website.

Section 278 Agreements

- 2.22. Section 278 agreements under the Highways Act 1980 (as amended by S23 of the New Roads and Street Works Act 1991) are legally binding agreements between the Local Highway Authority and the applicant to ensure delivery of necessary highway works to the existing highway network. They identify the responsibilities (financial or otherwise) of parties involved in constructing works on the public highway. Minor Works Permit or Unilateral Agreement are potential alternatives to Section 278 Agreement. The Highways Authority will advise on the appropriateness of each route for a specific case. Further information and guidance on the three types of Agreement can be found on the Lincolnshire County Council webpages.
- 2.23. Where, as part of the assessment of a planning application, it is identified that it will be necessary to make modifications to the existing highway to facilitate or service a proposed development (typically these will be off-site works required to mitigate the impact of the proposed development) a S278 agreement will usually be used.

Policy and Legal Context

National Policy Context

- 2.24. At the national level, the National Planning Policy Framework (NPPF) sets out the planning policies for England. NPPF paragraphs 55 to 58 cover the use of planning conditions and S106 agreements. These paragraphs reiterate the tests for use of S106 agreements set out in the CIL Regulations.

- 2.25. On 1st September 2019, government made amendments to the 2010 regulations affecting both CIL and section 106 agreements, as well as relating to the processes of securing Planning Obligations as part of the planning application process. Please see The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019. The new amendments included:
- a. The removal of the section 106 pooling restrictions to allow charging authorities to use both CIL and/or section 106 planning obligations to fund the same item of infrastructure;
 - b. Amending the regulations to ensure local authorities can seek a monitoring fee which is fairly and reasonably related in scale and kind to the development; and
 - c. Adding the requirement for local authorities to annually publish an infrastructure funding statement that will set out what Planning Obligations, whether monetary or not has been secured in the past year, alongside stating how much has been spent, and what it is spent on.
- 2.26. These amendments aim to provide greater flexibility to local authorities when funding infrastructure, while increasing the transparency of the process.
- 2.27. In addition, the Ministry of Housing, Communities and Local Government (MHCLG) now the Department for Levelling up, Housing and Communities (DLUHC) have detailed National Planning Practice Guidance (PPG) that supports the NPPF and regulations. The key sections relevant to this SPD and the procedures of planning obligations are as follows:
- a. Community Infrastructure Levy
 - b. Determining a planning application
 - c. Planning obligations
 - d. Viability

Emerging Government Policy

- 2.28. The NPPF and the PPG currently details how Biodiversity Net Gain (BNG) should be encouraged within developments. Furthermore, the Environment Act creates the legal framework for ensuring that developments in England secure a BNG of at least 10% from November 2023. The Central Lincolnshire Local Plan requires 10% BNG to be delivered now. Whilst the secondary legislation is awaited (as of summer 2023), it is increasingly apparent that where off-site contributions towards BNG are to be made, this is to be through section 106 agreements. Accordingly, this SPD will need to be reviewed in due course in order to reflect any new regulations.

Central Lincolnshire Local Plan

- 2.29. The Local Plan has a housing requirement figure of 24,244 additional homes and allocated over 150 ha of employment land between 2018 and 2040. This growth will result in increased pressure on local infrastructure, services and facilities, creating demand for new provision. The Central Lincolnshire authorities and applicants have a responsibility, through the planning process, to manage the impact of this growth and ensure that any harm caused by development is mitigated and that the necessary infrastructure is provided. The authorities expect new development to contribute to both on-site and strategic off-site infrastructure needs; this is established in the Local Plan policy S45 which provides policy framework for the preparation of this SPD. Policies S47: Accessibility and Transport, S48: Walking and Cycling Infrastructure, S50: Community Facilities, and S51: Creation of New Open Space, Sports and Leisure Facilities also set policy requirements relating to infrastructure. Finally, Policy S22

provides the expectations for affordable housing delivery, whilst Policy S21 relates directly to managing flood risk and water resources.

Infrastructure Needs & Priorities

- 2.30. The identified infrastructure needs for the Local Plan are set out in the Infrastructure Delivery Plan (IDP) which provides costs, phasing and priorities for infrastructure to support the proposed economic and housing growth. It is recognised that by its very nature the IDP will need to be updated to reflect changing circumstances. The latest IDP is available to view on the [Central Lincolnshire website](#).

Central Lincolnshire Approach to Planning Obligations

- 2.31. This section sets out the LPA's role in the Planning Obligations process, the types of infrastructure which may be sought from S106 and CIL and the relationship between them.

The role of Local Planning Authorities within Central Lincolnshire

- 2.32. It is the role of LPA's within Central Lincolnshire to:
- a. Lead discussions on securing developer contributions for infrastructure taking account of input from infrastructure/service providers and needs identified in the IDP and through consultation responses to planning applications;
 - b. Notify applicants of their CIL liabilities;
 - c. Strive to ensure a balance is maintained between infrastructure needs and development viability; and
 - d. Ensure that funds provided by applicants are spent in an appropriate and timely manner that responds to the impacts of the development alongside other processes which may not be within its control for example site access, legal processes, utility connections etc.
- 2.33. The Central Lincolnshire LPAs offer a pre-application advice service and it is recommended that applicants and their agents use this service and contact the relevant authority as early as possible to discuss. Further details are available on the relevant authority's websites.
- 2.34. The benefits of this early negotiated approach include:
- a. Ensuring that applicants are aware of the scale and nature of likely contributions required for a proposed development at the earliest opportunity;
 - b. Assisting in determining project viability;
 - c. Providing greater clarity and certainty to the process; and
 - d. Helping to minimise the timescales involved in determining affected planning applications.

The range of Planning Obligations

- 2.35. The LPA will assess an application and the need to require a variety of developer contributions. The list below is not definitive but sets out the more common infrastructure requirements.

- Affordable Housing
- Drainage & Flood Risk Management
- Education
- Health
- Open Space & Green Infrastructure
- Biodiversity

- Transport
- Other Potential Contributions:
- Archaeology, Conservation and the Historic Environment
- Community Halls and Facilities
- Contaminated Land
- Libraries

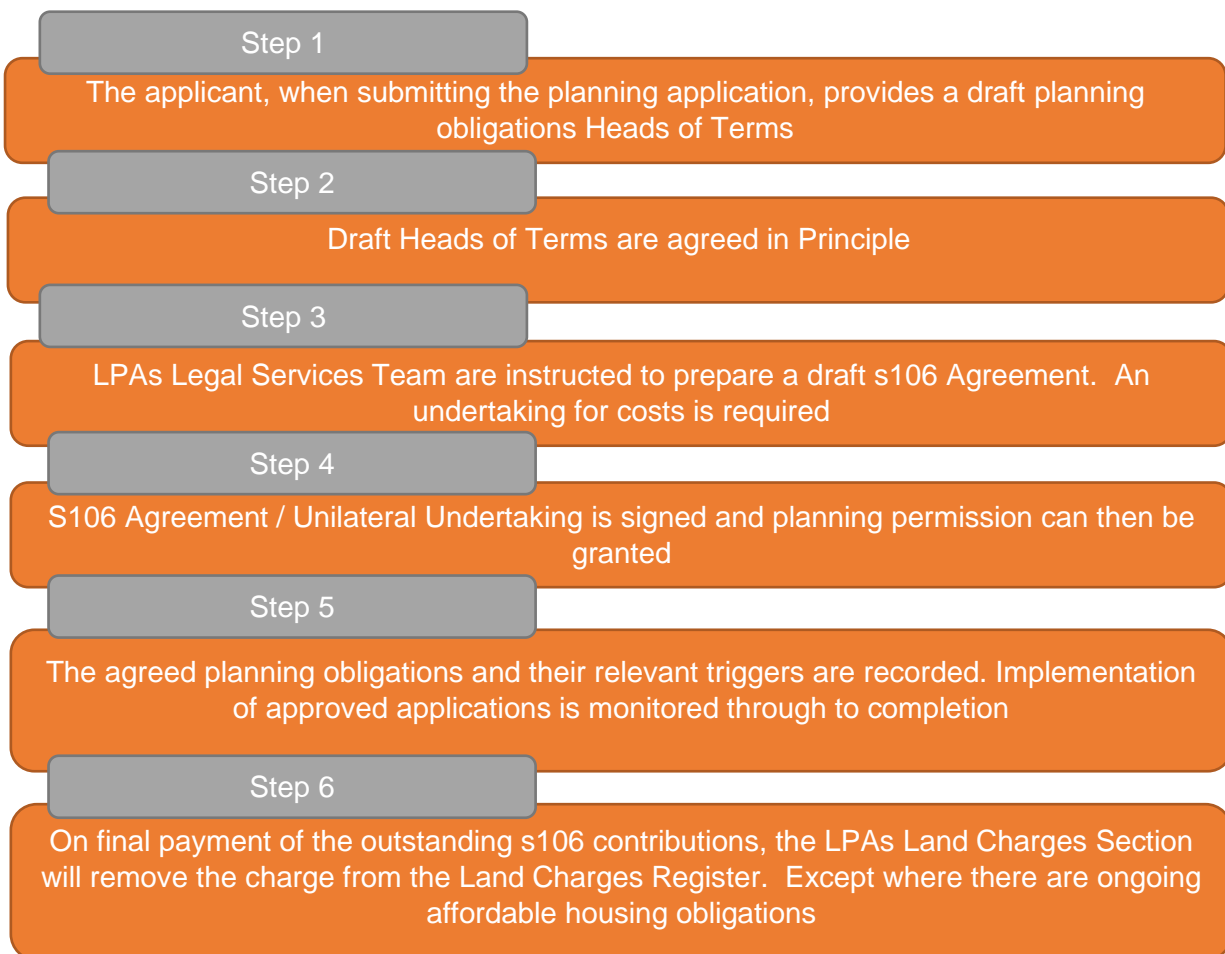
2.36. It will not be appropriate to require a planning obligation for each of the items listed above in every circumstance. Consideration is also given to the capacity of existing infrastructure to ensure that obligations are necessary, i.e. current capacity would not be able to accommodate the additional need generated by the proposed development. The LPA will consult with the infrastructure provider for each planning application to establish the impact of the development on existing infrastructure, based on those consultation responses the LPA will judge if it is necessary to secure planning obligations to mitigate the impact of the development.

2.37. The use of thresholds can be beneficial in helping to simplify and clarify which contribution mechanism will be used.

Planning Obligations Process

2.38. Planning obligations will be used to fund on-site or site-related infrastructure only. The Central Lincolnshire authorities' role and the process involving planning obligations is outlined in Figure 1 whilst further detail can be found in Appendix 2 Viability Assessment and Information List.

Figure 1: Overview of planning obligations process



Relationship between S106 & CIL

- 2.39. CIL does not replace the use of S106 agreements which are still be used alongside CIL to secure affordable housing and other infrastructure. S106 infrastructure may be physically off site, but must be clearly linked to the development site and needed to make the development acceptable in planning terms. Each S106 obligation must meet the relevant CIL Regulation legal tests, as set out above.
- 2.40. An annual summary of financial contributions secured and how they have been used can be found in each of the LPA's Infrastructure Funding Statements published on the website, this includes Lincolnshire County Council.

Development Viability

Central Lincolnshire's approach to viability

- 2.41. As stated in both the NPPF and PPG the weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case. Therefore, the LPA will assess the merits and circumstances of an application alongside the viability assessment on a case-by-case basis to enable a fair and proportionate decision.

- 2.42. Central Lincolnshire has an up-to-date Local Plan, having been adopted in April 2023. The policies in the Local Plan have been tested against the Whole Plan Viability (WPV) Study (2021 and 2022 update) and found to be sound by the Inspector.
- 2.43. As part of the WPV study The Council has tested the development viability of a range of site types that are most likely to come forward over the new plan-period.
- 2.44. The WPV study, uses a Residual Value Methodology to assess the impact of meeting all the Council's policy requirements, including CIL at the current rate, and different levels of Planning Obligations on a range of development typologies.
- 2.45. The Residue Value is the combined value of the complete development less the cost of creating the asset, including a target profit margin. If the residual value exceeds the existing use value by a satisfactory margin, a scheme is judged to be viable.
- 2.46. The results of the WPV Study show that in most of cases, the residual value exceeds the existing use value by a satisfactory margin indicating that most development likely to come forward under the Local Plan is viable and will be able to bear the range of Planning Obligations and CIL at the adopted, and subsequently indexed, rate.
- 2.47. The use of further viability assessments at the decision-making stage should not be necessary. It is up to the applicant to demonstrate whether circumstances justify the need for a viability assessment at the application stage.
- 2.48. Where an applicant formally requests the Council to consider a reduced level of planning obligations for a scheme the onus will be on the applicant/developer to evidence and demonstrate their case as required under paragraph 58 of the NPPF (2021).
- 2.49. Where a viability assessment is submitted to accompany a new planning application this should be based upon, and refer to, the WPV Study that informed the Local Plan. The applicant should provide evidence of what has changed since the WPV Study supporting the Local Plan was conducted. A full viability report prepared by the applicant should be enclosed as part of the submission of the planning application.
- 2.50. It is not appropriate to use a fixed land value as an input based on the price paid for the land or aspirational sum sought by the landowner. Such an approach does not consider planning policy requirements and could undermine the delivery of the Local Plan.
- 2.51. Viability assessments should comprise the information as set out in Appendix 2 and must be robustly justified with any assumptions benchmarked against publicly available data sources. In this regard, appraisals must also be balanced, coherent and internally consistent, with the relationship between specific inputs and outcomes considered.
- 2.52. Once submitted, this report (including scheme viability statements, appraisals and relevant information) will be considered and assessed by the Council and an independent viability advisor appointed by the Council with reasonable agreed costs borne by the applicant.
- 2.53. Viability appraisals are sensitive to minor changes in the figures used to calculate viability and also to variations in methodology. Where viability is cited as a barrier to development and is supported by a viability appraisal, the Council will assess the

Viability Appraisal to ensure that the maximum viable level of contribution to planning obligations are received.

- 2.54. When a viability appraisal is submitted, an editable electronic version of the viability model should be made available to the Council, or anybody acting on its behalf, to enable a robust review of the submission.
- 2.55. To maintain the transparency and accountability of its decisions, the Council will publish all viability assessments submitted as part of planning applications alongside other planning documents on its website and will do likewise with its independent scrutiny.
- 2.56. Any viability assessment must reflect the government's recommended approach to defining key inputs as set out in National Planning Guidance at the time the planning application and viability assessment is submitted.

Scheme Details & Definitions

- 2.57. Details of the scheme submitted should include: site area, residential units, densities, unit sizes, habitable rooms, and floor space figures as well as proposed specification consistent with assumed costs and values. Dependent on the size and scale of the development the Authority will also require details of residential and non-residential (Gross Internal Area, Net Sales Area and Net Internal Area) as well as a development programme and cost plan.

Existing use value plus premium (benchmark land value)

- 2.58. EUV is the value of the land in its existing use. It is not the price paid for the land and should disregard hope value.
- 2.59. The PPG sets out that,

“To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner.”

“Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).”

- 2.60. It goes on to state that, *“Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence”*.
- 2.61. The premium (or the 'plus' in EUV+) is the second component of benchmark land value. The PPG defines it as, *“the amount above existing use value (EUV) that goes to the landowner. 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.”*

Alternative use value

- 2.62. The PPG sets out that, *“For the purpose of viability assessment alternative use value (AUV) refers to the value of land for uses other than its existing use. AUV of the land*

may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date Local Plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan. Where it is assumed that an existing use will be refurbished or redeveloped this will be considered as an AUV when establishing benchmark land value.”

Market and sales values

- 2.63. The values arrived at must take account of real current market values for the type and location of development. The source of this information must be clearly justified. Viability Appraisals should incorporate relevant analysed sales evidence in justification of the sales value proposed. Sales evidence used must demonstrate true comparability, for example, in terms of new build, location size, aspect and amenity and any adjustments/assumptions made by the valuer in applying this evidence.

Comparable evidence

- 2.64. Analysis of land transactions has limited use in determining appropriate benchmark land values. Transactions may only be considered as a basis for cross checking values derived by Existing Use Value plus or Alternative Use Value methods. Transactions must be recent, reflect full policy compliance and be based on transactions where planning consent was in place prior to the purchase. A high level of understanding underpinning developer assumptions is also required to provide meaningful analysis. Although consideration of land transactional evidence is a RICS mandatory step, Viability Appraisal's will not be expected to submit evidence on this basis unless relevant evidence compliant with the conditions outlined above is evidenced.

Abnormal costs

- 2.65. It is important that any site-specific or abnormal costs are disaggregated and supported by robust evidence (including contractor costs). The presence of abnormal costs would normally be expected to influence land value, as is set out in the PPG. The applicant should have been aware of abnormal costs prior to purchasing the site, therefore the presence of abnormal costs (alongside relevant requirements of the Local Plan) are assumed to have influenced the level of premium above the existing use value a land owner would expect. Thus, it should not be assumed that abnormal costs will be offset at the expense of compliance with the Local Plan.

Affordable Housing Values

- 2.66. Development appraisals should be carried out in conjunction with Registered Providers and evidence supporting the values assumed within the viability assessment should reflect the offers made by the RP for purchasing the affordable housing element wherever possible. Other methods of valuing Affordable Housing may be used where justified and in agreement with the Local Authority.

Build Costs

- 2.67. In line with planning policy guidance on viability costs should be based on evidence which is reflective of local market conditions. Where costs are unknown RICS Build Cost Information Service (BCIS) is a publicly available (for a charge) source of cost information and may be used in viability assessments where justified. However, it is widely recognised that volume housebuilders do not typically feed into the BCIS data. Therefore, the underlying data for BCIS may not necessarily reflect how development is delivered locally and the associated costs. As such in instances where agreed by the Council, BCIS cost lower quartile costs rebased for Lincolnshire may be used.

Finance Costs

- 2.68. Details of project finance, related to phasing of construction and sales should be clearly set out. Where assumptions appear to show unreasonable costs, applicants will be expected to justify, with evidence, the portion of the overall costs to be met through loans and the rate of interest applicable. The Local Authority will seek to verify this information through consultation with lenders and accessing publicly available information such as the applicant's company accounts and/or annual report.

Professional & Marketing Fees

- 2.69. Expenditure on fees will depend on the complexity of the scheme. Evidence of fee costs should be provided where applicable or must be benchmarked in line with current industry standards and phased appropriately.
- 2.70. Marketing and professional fees may include the reasonable costs of sales and legal input for the sale or transfer of the units. Again, evidence of fee costs should be provided where applicable or must be benchmarked in line with current industry standards and phased appropriately. In this case they would normally only apply to later phases of development.

Developer Profit

- 2.71. The Council will require supporting evidence from applicants to justify proposed rates of profit. This should consider the individual characteristics of the scheme, including property market conditions and a development's risk profile and profits achieved on comparable schemes.
- 2.72. Where an internal rate of return approach to measuring profit is relied upon, full justification must be provided for the assumed development programme, the timing of the cost and value inputs and the target IRR. It is likely that where IRR is used, the applicant will be expected to pay for independent scrutiny of this information, undertaken by a consultant of the Local Authorities' choice.
- 2.73. It is expected that developer overheads be accounted for within Developer Profit.

Viability Review Mechanisms

- 2.74. Where affordable housing targets or other policy requirements are not met at application stage due to viability considerations, the Council may require applicants to enter into review mechanisms within the S106 agreement. These will enable a reassessment of viability to determine whether additional contributions towards affordable housing and other planning obligations can be provided at a later date. The costs of any reassessment will usually be borne by the applicant or developer.
- 2.75. The purpose of a review mechanism is to ascertain whether additional policy compliance can be viably achieved at point of delivery or during delivery if over a long delivery period. Review mechanisms will not result in the reduction in policy compliance which would affect the acceptability of the development proposal in planning terms.
- 2.76. Reviews can take place at submission of Reserved Matters and prior to or at an early stage of development which could enable additional on-site affordable housing to be provided. Alternatively, a review may be considered at a later stage based on actual values/costs which will generally result in a financial contribution. Equally on phased schemes viability reviews may be required at relevant phases.

- 2.77. Viability reviews will be established on a case-by-case basis, where an application has not met full policy requirements and will be delivered over a number of years. Trigger points for review will also be considered on a case-by-case basis.
- 2.78. The timing of the review and particulars of the application will influence whether further affordable housing contributions will be required on site or as an offsite contribution.
- 2.79. Reviews will be undertaken broadly based on the following principles and allows for both the Local Authority and Developer to benefit from the increased viability of a site.
- 2.80. The principles of the review to calculate the 'policy surplus' available for affordable housing (or other policy requirements) are set out in Figure 2:

Figure 2: Principles of calculating policy surplus

$$(A - B) - (C - D) = F$$

Where:

A = Actual (or updated estimates) of GDV as scheme is nearing completion

B = Actual (or updated estimates) of Development Costs as scheme is nearing completion

C = Anticipated GDV at application stage

D = Anticipated Development Costs at application stage

F = Surplus Value in scheme

- 2.81. Where a positive Surplus Value results, this will be utilised as set out in the relevant S106 agreement.

Index Linking

- 2.82. Unless otherwise stated to the contrary all contributions (sums payable) by the owner will be subject to increase by application of the principles of indexation. For the purpose of applying indexation the index will mean the Building Cost Information Service All-in Tender Price Index (TPI) of the Royal Institution of Chartered Surveyors (or any successor organisation). Obligations relating to the Strategic Road Network agreements will be linked to the Tender Price Index of Road Construction (ROADCON). These will be calculated from the date planning permission was issued to the date the trigger is met. If the payment trigger is missed then interest at 4% above Bank of England base rate will be applied every day until the payment is made.

3. Part Two

Affordable Housing

- 3.1. This part of the SPD sets out the types of obligations that that the LPA may seek to secure from development and how it identifies the relevant policy basis, types of development to which the obligation will apply, thresholds over which the obligation will be sought and, where possible the basis on which the level of obligation will be sought.

Introduction

- 3.2. This chapter details how applicants are expected to meet their planning obligations to provide affordable housing as part of their market housing developments.
- 3.3. Policy S22 of the 2023 Central Lincolnshire Local Plan sets out the requirements for the delivery of affordable housing.
- 3.4. Affordable housing is defined as 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 four definitions included in the NPPF Appendix 2.
- 3.5. Affordable housing also includes First Homes as defined by the Department of Levelling Up Housing and Communities Guidance note, published in May 2021 and updated in December 2021.
- 3.6. Affordable housing that does not meet one of these definitions does not fulfil applicants' obligations to deliver affordable housing.
- 3.7. Any further amendments or additions to the NPPF definition of affordable housing (or subsequent equivalent national policy document changes to the definition) will be accepted as affordable housing for planning purposes, but the amount and proportion of their provision on a site will need to be agreed with the Council to ensure that housing needs are met.

Delivery Mechanism

- 3.8. An affordable housing contribution will be required from eligible residential developments. The amount that is required in accordance with Policy S22 (see below), will be dependent on the type /location of the development. The obligation will normally be secured through a S106 agreement.

What is an Eligible Development?

- 3.9. The Central Lincolnshire Local Plan Policy S22 sets out sites which are eligible to make an affordable housing contribution. They are sites: -
- a. of 10 or more dwellings or 0.5 hectares or more; or
 - b. within a designated rural area within North Kesteven, of 5 or more dwellings
- 3.10. Where a development is below these thresholds but is followed by an obviously linked subsequent development at any point, where the original permission remains extant, or up to 5 years following completion of the first scheme, then, if the combined total of dwellings or site size provided by the first scheme and the subsequent scheme(s) exceed the thresholds in 6.7 a) or b), then the policy will be applied as a whole, with the precise level of affordable housing to be provided being 'back dated' to include the earlier scheme(s).

Residential Development and Residential Dwellings Definition

- 3.11. Residential development is considered to be a development of accommodation for use as a dwelling under Use Class C. The reformed (Use Classes) Order from 21 April 2021 defines the following residential uses:
- Use Class C2 – Residential Institutions which includes residential accommodation with elements of care being provided to people in need of it, residential schools, colleges or training centres, hospitals, and nursing homes.
 - Use Class C2A – Secure Residential Institutions which includes prisons, young offenders' institutions, detention centres, secure training centres etc.
 - Use Class C3 – Houses, Flats, Apartments which includes dwelling houses, flats, apartments etc (whether or not as main residence) by:
 - A single person or by people to be regarded as forming a single household
 - Not more than 6 residents (if over six, then becomes 'sui-generis')
 - Use Class C4 – Small HMOs (Houses in Multiple Occupation)
- 3.12. On site provision will be sought for all Use Class C3 developments in line with Policy S22, with off-site contributions secured as a last resort.
- 3.13. Contributions will also be sought on some C2 residential developments. Extra care schemes which provide independent living with each occupied unit having their own front door, will be treated in the same way as development under C3 and require affordable housing to be delivered on site in full, with a fall back to off-site if a Registered Provider cannot be secured.
- 3.14. However, where the scheme provides non-independent living, such as a care home then an off-site contribution will be sought, which may be ring-fenced to support future delivery of other specialist accommodation, although not limited to elderly provision.
- 3.15. The following forms of development under Use Class C are typically not required to contribute to affordable housing:
- C1 Hotels;
 - Purpose built student accommodation permitted as non-permanent places of residence, for example university student accommodation and boarding schools / colleges;
 - Accommodation limited to holiday use through a planning condition;
 - Residential conversions within Permitted Development Rights;
 - Dwellings in rural areas permitted because they are necessary for those employed in a specific business or industry to reside in, and that are subject to specific occupancy conditions, as defined by Policy 7.
- 3.16. Applications for development that falls within C4 Houses in Multiple Occupation (HMOs), and Sui Generis (larger houses in multiple occupation) will be determined on a case-by-case basis.

What proportion of affordable housing is required?

- 3.17. Where a site qualifies for affordable housing under the definition detailed above, the percentage sought will be based on the value zones indicated in Appendix 3:
- Value Zone A 25%.

- Value Zone B 20%.
- Value Zone C 15%; and
- Value Zone D 10%

Rounding Up

- 3.18. It should be noted that for purposes of calculating the total number of affordable homes required to meet the % affordable obligation and where the calculation does not arrive at a whole number that the Councils will round up from 0.5 to a full dwelling requirement.

Exceptional Circumstances

- 3.19. The affordable housing percentages have been set in accordance with the findings of the 2021 Whole Plan Viability Study. The Councils therefore consider that these levels of affordable housing are viable and deliverable. Only in exceptional circumstances, where it can be demonstrated to the Council's satisfaction that viability issues mean these rates cannot be delivered in full, will a reduction be considered. A robust justification will be required in the form of an independent, detailed viability assessment undertaken by a Council approved specialist company. It should be noted that exceptional circumstances are considered to be rare.

How will the affordable housing be provided?

- 3.20. Affordable housing should be provided on-site. Only in exceptional local circumstances will the provision of affordable housing on an alternative site or equivalent financial contribution be considered.

On site Provision Requirements

- 3.21. The applicant should discuss the affordable housing requirements with the LPA at the earliest stage. The appropriate mix and type of affordable housing provision on site will be dependent upon the type of development, the housing needs information and any other local circumstances affecting the site.

Tenure Mix

- 3.22. National Policy requires that First Homes makes up 25% of all affordable housing secured on site. In line with the findings of the 2020 Housing Needs Assessment, the Central Lincolnshire Local Authorities' preference for the remaining 75% will be to maximise the delivery of rented affordable housing. The exact tenure mix and split of affordable housing will vary across the 3 districts and will be informed by Local Authority endorsed needs information, presently:
- a. City of Lincoln Council: 75% of the affordable housing obligation should be in the form of social or affordable rented housing
 - b. North Kesteven District: a minimum of 50% of the affordable housing obligation should be in the form of social or affordable rented housing
 - c. West Lindsey District Council: a minimum of 60% of the affordable housing obligation should be in the form of social or affordable rented housing
- 3.23. The DLUHC First Homes Guidance states a minimum 25% of all the affordable housing delivered on site via planning obligation (i.e., 25% of the affordable housing obligation) should be delivered as First Homes.
- 3.24. Para 64 of NPPF sets out that on major developments at least 10% of the total number of homes (not just the affordable housing obligation) should be available for affordable home ownership.

- 3.25. First Homes are a form of affordable home ownership product and therefore contribute to meeting this minimum 10% (of the total number of homes delivered) affordable home ownership requirement.
- 3.26. The exact affordable housing tenure mix for a scheme should be discussed and confirmed with the Local Authority who will ensure the proposed tenure mix meets the obligations above.
- 3.27. The discount rate of 30% for First Homes is set out in Policy S22 as is a ceiling figure for the discounted price on the initial sale of £160,000 after the discount is applied. The policy also allows for an annual update to the ceiling value to take account of inflation. This update will be published following the publication of ONS East Midlands House Price Index data each September and will be applied in decisions made from 1 April the following year.

Rent Levels

- 3.28. To ensure that the properties for rent are affordable to those in need we routinely require affordable rent levels including service charges not to exceed local housing allowance rates.

Property Type

- 3.29. A range of property types and bedroom numbers should be provided to meet the identified need and this should be confirmed with the LPA. In order to ensure provision is affordable, detached housing and garaging is not normally required. If garaging is fundamental to the design of the dwellings, for example in flood risk areas, the situation should be discussed with the LPA. Appropriate parking should be included in all schemes and agreed with the LPA.

Appearance/ Location /Phasing

- 3.30. The 2023 Central Lincolnshire Local Plan states the 'affordable housing should integrate seamlessly into the site layout amongst the private housing'. This is to promote social and community integration of the affordable housing. This means that the affordable housing provided should be appropriately integrated into the overall design of the development and not identifiable as different or inferior in design or quality.
- 3.31. Design integration can be achieved by using the same materials, details and build quality as the market development. Subject to meeting size standards and agreement with the affordable housing provider, where applicable, the applicant's own designs may be suitable for the affordable housing provision.
- 3.32. Appropriate integration can be achieved by the degree of dispersal /dispersed grouping of the affordable housing, rather than it being delivered in a single location. However, there may be instances where a single location is most appropriate. The degree of dispersal will be dependent upon a number of factors including.
- a. The size of the scheme; for example, on larger schemes there is an expectation that affordable housing will be on all phases of the development,
 - b. Housing management requirements; affordable housing providers will normally prefer their homes to be self-contained, rather than physically attached to an open market property. This is to avoid shared maintenance, rather than sole maintenance responsibility for features such as private drives or common areas in flatted accommodation. On larger schemes this can be achieved by grouping affordable

- housing in a number of clusters and on smaller schemes by ensuring the affordable housing semi-detached provision is provided in pairs, or terraces in a single block,
- c. The type of provision; flatted/ leasehold accommodation is generally preferred in self-contained blocks.

- 3.33. Ultimately the exact location of the affordable housing should be agreed with the LPA.

Housing Standards

- 3.34. Developers should confirm the proposed sizes of the dwellings are suitable with the Council and Registered Providers to ensure the proposed affordable housing can be transferred to the Provider. All affordable homes provided should be of a size and type that is acceptable to meet local needs and suitable for as affordable housing provision. Applicants should take this into account at scheme design stage.
- 3.35. The Government's Nationally Described Space Standards stipulate minimum acceptable sizes for various property types. Whilst these are not mandatory, the LPAs consider this is a measure of acceptability and affordable housing providers will use them as a benchmark - see <https://www.gov.uk/government/publications/technical-housing-standards-nationally-described-space-standard/technical-housing-standards-nationally-described-space-standard>.

Affordable Housing Management

- 3.36. It is the Councils' preference that all affordable housing provision is owned and managed by Registered Providers and the NPPF requires this for rented affordable housing. These organisations are registered with Homes England and meet detailed criteria on the delivery, letting and long-term management of affordable housing. North Kesteven District Council and City of Lincoln Council are also Registered Providers.
- 3.37. Applicants are encouraged to work in collaboration with Registered Providers from an early stage, preferably with a provider that can demonstrate effective local letting and management arrangements to the LPA. The LPA will provide details if required.

Off-site provision or commuted sums

- 3.38. Local Plan Policy S22 states that the requirement for off-site provision or commuted payments in lieu of on-site affordable housing will only be acceptable where the applicant can demonstrate exceptional circumstances which by definition are rare. However, where exceptional circumstances for offsite provision are agreed it will necessitate provision on another site, or the payment of a financial contribution to the relevant LPA (equivalent in value to it being provided on-site) to enable the housing need to be met elsewhere.

Calculating the contributions (off-site commuted sums)

- 3.39. An off-site contribution is not a lesser contribution for affordable housing and should be broadly equivalent to the level of contribution the applicant should be making to on-site affordable provision. The level of commuted sum needs to be able to fund equivalent delivery of affordable housing off site without the need for additional external grant funding (a principle of on-site affordable housing delivery).
- 3.40. Fundamentally the commuted sum will be:

The difference between the open market value of a unit and the transfer value a Registered Provider would pay for that unit. The resulting difference is the developer's obligation. The commuted sum values which will be the starting point of any

negotiations are as follows: (see Appendix 3 further details of the calculation including a map of the value zones).

The Value Zone Map is shown in Appendix 3 of this report and can be viewed in detail on the [Interactive Policies Map available on the Central Lincolnshire website](#).

The commuted sum values which will be the starting point of any negotiations are as follows: (see Appendix 3 for further details of the calculation):

Table 1: Commuted sum by Value Zone

	Value Zone A	Value Zone B	Value Zone C	Value Zone D
Commuted sum per unit	£119,171	£106,133	£94,905	£84,645

- 3.41. Payment triggers will be agreed as part of the planning application negotiations and may include the opportunity for the development to make phased payments.

Affordable Housing in Rural Areas

- 3.42. Policy S22 also sets out criteria for supporting rural affordable housing. Where there is an evidenced rural affordable housing need, it may be possible to deliver affordable housing as an exceptional circumstance/ exception to policy.
- 3.43. The scope and methodology of evidenced local need is to be agreed with the LPA at the time of the application. Examples include Local Parish Housing Need Surveys, the Local Authority Housing Register and Neighborhood Plans.
- 3.44. An exception site for affordable housing will be considered against:
- Local Plan policies including – S22, and S4 and S3 where applicable
 - The need for affordable housing
 - Deliverability of the potential site and deliverability of alternative sites.

*It should be noted that First Homes Exception Sites are not permissible in designated rural areas.

Drainage & Flood Risk Management

Introduction

- 3.45. In line with the NPPF and Local Plan Policy S21 all potential developments are required to consider flood risk and drainage and should apply the sequential test and exception test where appropriate.
- 3.46. The National Planning Practice Guidance (PPG) requires sustainable drainage systems to be provided for all proposed major development (of more than 10 residential units or one hectare of development) and states that priority must be given to the use of sustainable drainage systems in areas at risk of flooding. It is desirable for all developments, regardless of scale and constraints, to incorporate sustainable drainage, intended to replicate, as closely as possible, the natural 'greenfield' drainage from a site.
- 3.47. An integrated approach should be taken to the design of highway drainage and surface water runoff from other sources. Sustainable drainage should be considered as part of

the design and layout of development and only where necessary, through the provision of infrastructure and contributions.

When will S106 planning obligations be sought?

- 3.48. In accordance with LP14, development proposals should demonstrate that there is no unacceptable increased risk of flooding to the development site or to existing properties. It is expected that applicants will in the first instance minimise and avoid flood risk through the location and design of development; and secondly meet the costs of the direct impacts of their development on local drainage and flood risk management through appropriate planning conditions. However, planning obligations may be sought on all proposals where the development requires:
- a. Off-site management of water to ensure no increase in flood risk elsewhere;
 - b. Off-site works to reduce the overall flood risk to an acceptable level.
- 3.49. The S106 Agreement will require the nature of the works to be agreed by the appropriate Risk Management Authority: Environment Agency for fluvial/ coastal risks; Lincolnshire County Council (Lead Local Flood Authority) for surface, ground and ordinary risks; and Internal Drainage Boards (IDBs). Appropriate contracts should be in place to secure the delivery of any work before the relevant phase of development can commence. All relevant regulatory bodies, also including the Canal & River Trust and relevant statutory water and sewage undertakers, should be engaged by the applicant.
- 3.50. Where necessary, on-site infrastructure will be provided by the applicant to alleviate the risk of flooding, to ensure no increase in flood risk elsewhere and reduce impacts on existing drainage infrastructure. This will normally form part of the detailed matters submitted and agreed through the planning application process and the delivery can therefore be secured through a planning condition.
- 3.51. Through the use of planning conditions or planning obligations, the LPA will ensure that clear arrangements are in place for maintenance and/or adoption of the proposed drainage system and/or flood defence.
- 3.52. Any provision will be required to meet the standards identified in the NPPF, the NPPG, and the Non-statutory Technical Standards for sustainable drainage systems, updated Risk Management Authority Specification or any other local standards¹.

Types of facilities that may be required

- 3.53. Measures identified by a Flood Risk Assessment as being needed to enable development and mitigate or manage existing flood risk are likely to be site-specific and most likely secured by planning condition. In addition, the provisions of the Water Industry Act also provide routes by which applicants and developers can upgrade sewers and the sewerage network. However, there will be occasions where off-site mitigation is required and where planning obligations will be the most suitable means for applicants to agree to undertake the necessary works.
- 3.54. Surface water flood risk on site should be managed using sustainable drainage systems (SuDS) such as swales, filter drains, detention basins, permeable paving and green roofs. SuDS are designed to control surface water run off close to where it falls and mimic natural drainage as closely as possible. They provide opportunities to:

¹ In locations near to the River Trent, The East Marine Plans may also require consideration if a proposal may affect the marine environment. These can be viewed at <https://www.gov.uk/government/publications/east-inshore-and-east-offshore-marine-plans>.

- a. Reduce the causes and impacts of flooding;
 - b. Remove pollutants from urban run-off at source;
 - c. Combine water management with green space to benefit amenity, recreation and wildlife.
- 3.55. Generally, the aim should be to discharge surface run off as high up the following hierarchy of drainage options as reasonably practicable:
- a. Re-use on site
 - b. into the ground (infiltration);
 - c. to a surface water body;
 - d. to a surface water sewer, highway drain, or another drainage system;
 - e. to a combined sewer only where evidence is provided that other options above are not possible and therefore as a last resort.
- 3.56. Clear arrangements must be in place for the maintenance of such system and will be subject to, as appropriate, planning condition or planning obligation.
- 3.57. The relevant cost of construction will be addressed by the applicant as part of drainage and landscaping design. The applicant will be responsible for putting measures in place for maintenance costs of the relevant drainage system and/or flood defence. This could potentially include adoption of the drainage system by an agreed third party with relevant maintenance agreements to enable maintenance costs to be recovered from the households using the drainage system. Such parties could include Lincolnshire County Council and/or Anglian Water/ Severn Trent.
- 3.58. Furthermore, as part of a construction management plan, developers will also need to ensure that surface water flood risk is considered throughout the construction phase and in any temporary conditions, such that there is no increased flood risk to adjacent properties whilst developments are being constructed.

What S106 planning obligations might be sought?

- 3.59. For off-site schemes, the Central Lincolnshire authorities would expect applicants to provide a financial contribution towards the delivery of the required infrastructure. If appropriate and in consultation with relevant partners, consideration would be given to the applicant or a third party taking that responsibility to provide the required infrastructure to an agreed specification.
- 3.60. An obligation might also be sought to secure the necessary maintenance regime, including confirmation of who will be responsible for maintaining each piece of infrastructure.

Phasing of Drainage and Flood Risk Management Planning Obligations

- 3.61. In order to ensure delivery of drainage and flood risk management infrastructure in line with the delivery of development, any planning contributions must be paid when development commences or according to an agreed timetable. If the applicant has taken responsibility for physical work, this must be completed to an agreed timetable. The S106 Agreement will set out the phasing requirements for planning obligations related to drainage and flood risk management infrastructure.

Education

Introduction

- 3.62. Education infrastructure is an integral component of balanced sustainable communities. Lincolnshire County Council (LCC) has the statutory duty to ensure there is sufficient provision and does this via Maintained Schools, Academy Schools and Free Schools.
- 3.63. As set out in Policy S45, appropriate education facilities are a fundamental infrastructure requirement of sustainable growth and new homes create a need for additional education capacity. LCC annually review and report the capacity of education facilities (the School Capacity Survey return).

When will planning obligations be sought?

- 3.64. Planning contributions for additional school capacity will only be sought where appropriate and on sites of ten or more residential units or on sites of less than 10 units if the total floorspace of the development exceeds 1,000 square metres.
- 3.65. Education contributions will not be sought for specialist older persons housing schemes or 1 bed dwellings, as these property types are generally unlikely to accommodate children.

What S106 planning obligations might be sought?

- 3.66. LCC will undertake an assessment of school capacity and the most appropriate means to increase provision. Although this list is not exhaustive, obligations could be sought, where appropriate, for:
- a. on-site provision of land within the development for new education facilities. It is expected that fully serviced land is provided by the applicant at nil cost to LCC as education authority
 - b. a financial contribution to provide additional capacity for a new or existing education facility off-site
 - c. a proportionate financial contribution (based on the education need generated by the development) to purchase land for off-site provision
 - d. capital funding of identified facilities the improvement of – or a contribution towards – cycle and pedestrian links to allow children from a development to access education facilities with spare capacity, rather than a financial contribution to new educational facilities.
 - e. ancillary facilities such as early years, to be let on a commercial basis.
- 3.67. Secondary and school based post-16 education places are in most cases to be provided through CIL not S106 obligations in line with evidence produced through the WPV assessment which underpins the Central Lincolnshire Local Plan.

Provision Requirements

- 3.68. The number of pupils living on a new development is usually linked to the number and size of dwellings proposed. In general terms, the greater the number of bedrooms, the greater the number of pupils there are likely to be.
- 3.69. The child yield multiplier (pupils per dwelling) and cost of provision per pupil, is shown in Appendix 4. It is based on research undertaken in Lincolnshire and is reviewed periodically to ensure it is up to date.
- 3.70. Using the guidelines in Appendix 4 or as may be updated, it is possible to calculate the number of education places required by the development proposal. The availability of

projected permanent spare capacity at locally accessible facilities is also considered in the calculations and should be discussed with LCC, as this is used in converting the number of school places generated into the number of additional places needed.

- 3.71. LCC will also consider, planned and funded expansions of education facilities and other planned residential development with consent or already being considered via a live planning application which will make contributions.
- 3.72. To ensure consistency with evidence and testing undertaken through the Whole plan Viability assessment in 2021, where possible secondary education and post 16 education will be funded by CIL contributions collected by the charging authorities and passed to LCC.

Health

Introduction

- 3.73. There are two main types of health provision: primary care and secondary care. Primary care focuses on the treatment of minor injuries and illnesses, and deals with minor surgery and the on-going management of chronic conditions. Secondary care covers care in general and specialist hospitals for conditions that normally cannot be dealt with by primary care services. It includes medical and mental health services.
- 3.74. NHS England Midlands and East supports the commissioning of high-quality services and directly commission primary care and specialised services at a local level including Central Lincolnshire. They also help Integrated Care Board (ICB) to commission services for their communities. The ICB which covers Central Lincolnshire is NHS Lincolnshire ICB. Further information about the structure of health provision can be found in 'A guide to the healthcare system in England for local planning authorities'.
- 3.75. Central Lincolnshire's health priorities and issues are set out in the latest Joint Health and Well Being Strategy for Lincolnshire, Joint Strategic Needs Assessment and NHS Health profiles for Lincoln, North Kesteven and West Lindsey.
- 3.76. The Central Lincolnshire Authorities recognise the social benefits of the provision of excellent healthcare facilities to the area. New residential developments put pressure on existing health facilities and cumulatively create the need for additional facilities and services. Local Plan Policies S45 and S54 recognise the need to make provision for an appropriate amount of (amongst other things) health facilities which meet local needs and contribute to the health and wellbeing of residents within Central Lincolnshire.

Type and size of development which may trigger need

- 3.77. Planning obligations for new / improved health facilities are only expected from residential developments (C class uses). However, any development which places an extra demand on local health care facilities through its operation could be required to make physical provision or financial contributions may also be sought.
- 3.78. Applications for the development of concentrated or multi-tenant housing such as residential care homes, nursing homes, sheltered housing or student accommodation will need to be assessed for their impact on local health care on a case-by-case basis.
- 3.79. In line with Local Plan policy S54: Health and Wellbeing, planning applications for development of 150 dwellings or more, 5Ha or more for other development, require a

supporting Health Impact Assessment. HIA is considered further in Policy S54, its supporting text and the separate guidance note available on the Central Lincolnshire Local Plan website.

- 3.80. However, planning contributions for additional or improved health facilities will only be sought where appropriate and on sites of eleven or more residential units, or on development sites of less than 11 units if the total floorspace of the proposed units exceed 1,000 sqm

Types of facilities for which provision may be required

- 3.81. The impacts of proposed developments on health should be assessed and considered at the earliest stage of the design process to avoid negative health impacts and ensure positive health outcomes for the community as a whole. Subject to an identified need in the locality, contributions may be sought for the following health infrastructure:
- a. New health facilities (these may be co-located with other health or social care providers);
 - b. Construction costs for additional facilities / extensions, adaptations or alterations which are required to meet the needs of the development;

Form in which contributions should be made

- 3.82. It is expected that contributions will be made in the following ways:

- a. Capital money to provide new or enhanced facilities;
- b. Land or buildings may form all or part of the contribution;

- 3.83. The financial contribution towards the delivery of healthcare facilities will consider the availability of mainstream NHS funding and any time lag between that funding stream availability and the 'on the ground' provision of the facility to support the development proposal.

- 3.84. If appropriate, consideration of the applicant building the required infrastructure to an agreed specification will be considered on a case-by-case basis in consultation with appropriate partners.

What are the costs and how are they calculated

- 3.85. A case of need for new or improved health provision will be drawn up for each development proposed. Where need is established the developer contribution currently equates to £632.50 across all three District Councils, this figure may be updated from time to time to reflect current costs.
- 3.86. This figure is based on the Statement of Financial Entitlements for GP services and the typical cost of providing a GP development for between 5 and 6 fulltime equivalent GPs. These figures may be subject to revision in line with changing market costs.
- 3.87. There is a formula to ascertain the contribution needed per house which has been agreed with the District Valuer, and which was implemented from 1 August 2018. Local GP practices work as part of a Primary Care Network (PCN) and therefore the capital request will be viewed considering the PCNs ability to support the planned development. Patient choice needs to be considered to avoid funding being restricted to the nearest Practice.

- 3.88. The cost per dwellings is not a 'tariff' on all new dwellings; it will only be applied where additional health provision is required as a result of new housing and will not be used to remedy deficiencies elsewhere within Central Lincolnshire.

Open Space & Green Infrastructure

- 3.89. The Local Plan seeks to ensure that new development makes provision for the delivery of new and improved open space, sports and leisure facilities, secures natural features in terms of trees and hedgerows and safeguards and enhances the area's existing Green and Blue Infrastructure by creating new and improving the quality and capacity of existing open spaces and connectivity within the network. Appendix 3 of the Local Plan sets out the open space standard requirements in the plan including type of space, quantity standard, quality standard, access standard and more.

Type and size of development which may trigger need

- 3.90. All types of development both Residential and Commercial will be expected to contribute to the quality of Central Lincolnshire's Open Spaces and Green and Blue Infrastructure network as required in Policy S59 of the 2023 Local Plan as summarised in the table below:

Table 2: Thresholds for On-Site and Off-Site Open Space Provision

Type of Open Space	Development Scheme Thresholds for Open Space Provision				
	<10 dwellings*	10-49 dwellings	50-99 dwellings	100-499 dwellings	500+ Sustainable Urban Extensions
Allotments and Community Growing Spaces	No requirement	Off-site	On-site or off-site	On-site or off-site	On-site
Amenity Greenspace	No requirement	On-site or off-site	On-site or off-site	On-site or off-site	On-site
Provision for Children and Young People	No requirement	On-site or off-site	On-site or off-site	On-site or off-site	On-site
Outdoor Sports Facilities (Public)	No requirement	Off-site	On-site or off-site	On-site or off-site	On-site
Natural and Semi-Natural Greenspace	No requirement	On-site or off-site	On-site	On-site	On-site

* Smaller developments may be required to make a contribution where the development creates or exacerbates a deficiency of open space in the area.

- 3.91. The level of contribution will be proportionate to the scale of development and the likely impact on the network.

Provision Requirements

- 3.92. Each site presents unique opportunities for open space provision and applicants should engage with LPA Development Management teams at an early stage.
- 3.93. Non-residential development should comply with Local Plan design standard requirements and look for opportunities to provide amenity space, access links, SUDs and biodiversity enhancement through landscaping and planting schemes.

3.94. There is an extensive body of evidence regarding open space, green infrastructure and biodiversity priorities referenced in the Local Plan Policy library and include:

- Central Lincolnshire Interactive Map;
- Lincolnshire Biodiversity Action Plan;
- Central Lincolnshire Biodiversity Opportunity Mapping Study;
- Central Lincolnshire Green Infrastructure Study;
- Local Environmental Record Centre
- Lincolnshire Local Site System (managed on behalf of Central Lincolnshire Authorities by the Greater Lincolnshire Nature Partnership);
- Lincolnshire County Council public rights of way network;
- Central Lincolnshire Playing Field Needs assessment; and
- Central Lincolnshire Open Space Audit and Provision Standard Assessment.

3.95. Reference will be made to the above documents when assessing open space requirements for residential developments and will be based on the need and opportunity within the context of the local area, using the estimated population size of the development and the standards of accessibility, quality and quantity set out in Policy the Local Plan.

Quantity

3.96. New Residential developments will be required to provide or contribute to open space on the following basis:

Table 3: Open Space Quantity Standards

Open Space Provision Type	Quantity Standard
Allotments and Community Growing Spaces	0.31ha per 1,000 population
Amenity Greenspace	0.66ha per 1,000 population
Provision for Children and Young People	0.12ha per 1,000 population
Local and Neighbourhood Parks and Gardens	0.38ha per 1,000 population
Strategic Parks and Gardens	No standard – opportunity based on opportunity and design led
Outdoor Sports Facilities (Public)	1.09ha per 1,000 population
Natural and Semi-Natural Greenspace	1ha per 1,000 population

Development population will be calculated using District average household size

3.97. Development Population will be based on the following assumed population generation rates based on ONS data (Tenure by Household size by number of bedrooms 2011). Where household size is unknown (e.g. outline permission) the district average household size will be used. The average occupancy levels for calculating development population are set out in Table A3.3 in Appendix 3 of the Central Lincolnshire Local Plan and replicated below.

Table 4: Average Occupancy Levels for Calculating Development Population

Number of bedrooms	Lincoln	North Kesteven	West Lindsey
1	1.3	1.3	1.3
2	1.9	1.7	1.7

3	2.4	2.3	2.3
4	2.9	2.9	2.8
5 or more	3.5	3.2	3.1
District average	2.2	2.3	2.3

3.98. In order to calculate the quantity of each open space typology required for a dwelling the quantity standards for each type should be applied to the anticipated occupancy of a scheme. An example of this calculation is provided in Figure 3 below:

Figure 3: Example open space quantity calculation

Site details:

Located in Lincoln, 100 dwellings – of which 30 are 2-bed, 40 are 3-bed and 30 are 4-bed.

Open space calculations:

Step 1: Calculate the population:

- 30 no. 2-bed at 1.9 people per property: $30 \times 1.9 = 57$
- 40 no. 3-bed at 2.4 people per property: $40 \times 2.4 = 96$
- 30 no. 4-bed at 2.9 people per property: $30 \times 2.9 = 87$
- Total assumed population = 240

Step 2: Calculate the open space quantity

In order to calculate the need for each type of open space the following calculation should be performed:

(Total population / 1,000) x quantity standard = amount of type needed
 For example using allotments in this example this would be: $(240 / 1000) \times 0.31 = 0.07\text{ha}$

- Allotments and Community Growing Spaces at 0.31ha per 1,000 = 0.07ha
- Amenity Greenspace at 0.66 ha per 1,000 = 0.16ha
- Provision for Children and Young People at 0.12 ha per 1,000 = 0.03ha
- Local and Neighbourhood Parks and Gardens at 0.38 ha per 1,000 = 0.09ha
- Strategic Parks and Gardens – no specific quantity standard
- Outdoor Sports Facilities (Public) at 1.09 ha per 1,000 = 0.26ha
- Natural and Semi-Natural Greenspace at 1 ha per 1,000 = 0.24ha

Please note: Standards should not be simply added together to generate a total requirement for open space. This is because it may be possible to provide some open space types within the boundary of another. For example, a neighbourhood park may be multi-functional and contain one or a number of the other open space types.

3.99. For outline applications where the number of bedrooms is not known the district average can be used, simply by applying the average figure to the same calculations as in Figure 3 above.

3.100. Please note, Table A3.4 in Appendix 3 of the Local Plan contains examples of a per dwelling amount of open space. This is for illustrative purposes only and should not be used in calculations. It is also acknowledged that there is an error in this table in relation to Outdoor Sports Facilities (Public) and this should in fact read

25.07m²/dwelling to match up to the standards in Table A3.1 and as is also reference in Part B of the Appendix.

Strategic Playing Fields

- 3.101. Priorities for Strategic Playing Fields to meet the needs of Central Lincolnshire’s planned new population are set out in the CL Playing Pitch Assessment. These priorities along with any other local evidence will be the basis of calculating offsite contributions and on- site provision requirements.

Local Useable Greenspace

- 3.102. Local Useable Greenspace includes the following types of open space; formal and informal play space; parks gardens; amenity space; informal kick about/ball game areas and natural/semi natural greenspace. All Local Useable Greenspace should be publicly accessible. The precise mix and design of these open space typologies within new developments will be based on the existing local/neighbourhood provision levels and needs. Reference should be made to the accessibility and quality standards outlined in the table below, alongside any other known local evidence.
- 3.103. Accessibility to suitable open space is a key policy objective so even if a development is in an area of good general provision if this provision does not meet the required walking time or distance standards or is not publicly accessible then provision on site will be required or works undertaken to improve accessibility.
- 3.104. In accordance with the access standards set out in the Local Plan assessment of the adequacy of existing quantity provision for determining on site provision requirements will be based on the following distance criteria;

Table 5: Open Space Access Standards

Open Space Type	Accessibility Standard
Allotments and Community Growing Spaces	1,600m walking distance
Amenity Greenspace	400m walking distance
Provision for Children and Young People	LAP/LEAP – 400m walking distance NEAP – 1,200m walking distance
Local and Neighbourhood Parks and Gardens	Local – 400m walking distance Neighbourhood – 1,200m walking distance
Strategic Parks and Gardens	15km or 15-minute drive
Outdoor Sports Facilities (Public)	1,200m walking distance
Natural and Semi-Natural Greenspace	400m walking distance of an area of 2ha or larger, 2km to an area of 20ha or larger, 5km to an area of 100ha or larger, 10km to an area of 500ha or larger

- 3.105. If an adequate quantity of provision for a specific type of open space is available within the stated distance criteria then on-site provision will not be required. A contribution to improving the accessibility or quality of the existing provision may be requested instead depending on whether other types of open space provision are needed.
- 3.106. The Local Plan recognises that access to green corridors including the public rights of way network contribute greatly to local open space needs, particularly within the rural settlements and therefore access standards to such are included as part of the natural/semi natural greenspace typology.

- 3.107. Where there is evidence of local need for additional allotments and/or civic/cemetery provision, this may need to be considered in addition to Local Useable Greenspace provision.
- 3.108. The design and layout of any on site Local Useable Greenspace will also consider and accommodate the wider Green Infrastructure objectives such as any identified for Sustainable Urban Drainage, River and/or drainage system water quality protection or improvement, biodiversity opportunities and/or new cycle and pedestrian routes/linkage requirements.
- 3.109. All publicly usable open spaces should meet the quality standards in Appendix 3 of the Local Plan and any available local criteria. Even when a development is in an area with a sufficient quantity of provision, quality improvements to that provision may be deemed necessary and a contribution in proportion to additional population generated from the development may be required.
- 3.110. Accessibility is a key objective so even if a development is in an area of good general provision if these are not easily accessible then provision on site will be required or works undertaken to improve accessibility.

Off-site contributions

- 3.111. Developer contributions will apply in a number of situations;
- Smaller developments of 10 units or less with a combined floor area of 1000 square metres or more
 - Where meeting the quantity requirement on site is not appropriate e.g. where sufficient accessible quantity already exists within an area;
 - Where a site is accessible to open spaces but those spaces are of poor quality;
 - Where local evidence demonstrates a need.
- 3.112. The contribution will be based on the anticipated cost of providing the facility/type of open space. For an indication of sports facilities costs, Sport England maintain Facility Cost Guidance which is regularly updated and can be viewed at <https://www.sportengland.org/guidance-and-support/facilities-and-planning/design-and-cost-guidance/facility-cost-guidance>.

Maintenance

- 3.113. New on-site provision will also require consideration for long term maintenance. This could be either through a third party/management company or through agreement with the local management authority or parish. A commuted sum will be required for adoption of new open space where agreed by the Local Authority. The Local Planning Authority may seek to negotiate the payment of an appropriate bond to enable implementation and ensure the completion of and agreed site works. These sums will be calculated based on evidence of maintenance costs from a District, Local Town or Parish Council or other organisation that will undertake the maintenance.

Biodiversity

- 3.114. The Local Plan seeks to deliver 10% Biodiversity Net Gain (BNG) in all relevant applications ahead of it becoming a national mandatory requirement in November 2023

(and April 2024 for small sites²). The starting point for delivering BNG is on site, but the Environment Act 2021 also allows for off-site units to be purchased to help where it cannot be achieved on site, and (as a last resort) for statutory credits to be bought.

Type and size of development which may trigger need

- 3.115. At the time of writing this SPD, secondary legislation is still awaited to clarify what development will be exempt.³
- 3.116. Efforts are being made by Lincolnshire Wildlife Trust to establish a market for offsite units to be bought by developers, and full details of this will be made available at the earliest opportunity for it to be used.
- 3.117. Applications will be required to deliver 10% net gain, and this delivery and its monitoring will be secured via conditions and planning obligations as necessary. It is likely that this SPD will require updating to reflect the final details of BNG when they are known.

Transport

Introduction

- 3.118. It is critical to the successful and sustainable growth of Central Lincolnshire that major transport improvements are delivered. Without this, the Local Plan targets will not be achieved.
- 3.119. Local Plan Policy S47 and its supporting text reiterate the NPPF objectives to minimise travel needs and maximise options for sustainable travel. Further details of the overarching transport policies and strategies for Lincolnshire can be found in the 5th Lincolnshire Local Transport Plan (LTP V) and the adopted transport strategies for Lincoln, Gainsborough and Sleaford.

Types of facilities that may be required

- 3.120. The type of transport infrastructure that is required to support growth is wide ranging and, although this list is not exhaustive, obligations could be sought in relation to measures set out in S47 and summarised infrastructure includes schemes such as, new access roads, junction improvements, bridges, cycle-ways, footways and footpaths, bus lanes, bus stops, station improvements, public realm and active travel improvements, mobility hubs, and park and ride. In addition to revenue projects such as 'behaviour change'; programmes delivered in businesses, schools and local communities.

When will planning obligations be sought?

- 3.121. In addition to the strategic implications of transport, there are also local matters which may justify the use of planning obligations. The LPAs envisage that the majority of sites will not require a planning obligation to address specific local transport improvements. The transport and access issues in most cases can be addressed as part of the scheme design. This matter will however be determined on a case-by-case basis.

² Defined as "(i) for residential: where the number of dwellings to be provided is between one and nine inclusive on a site having an area of less than one hectare, or where the number of dwellings to be provided is not known, a site area of less than 0.5 hectares; (ii) For non-residential: where the floor space to be created is less than 1,000 square metres OR where the site area is less than one hectare."

³ Whilst there are indications of what this will be at the current time, given that it is not confirmed, details are not included in this document in an effort to avoid any confusion in the event that this changes.

What planning obligations might be sought?

- 3.122. Policy S47 elaborates on the type of improvements that might be required to mitigate a development and these, depending on the characteristics of the development, are likely to require a planning obligation. In summary, although this list is not exhaustive, obligations could be sought in relation to:
- a. Improvements or additions to the highway network;
 - b. Public transport improvement or provision;
 - c. Measures for cyclists / pedestrians;
 - d. Traffic management/highway safety measures;
 - e. Travel information, including personalised travel planning
 - f. Public Rights of Way (see also section on Open Space and Green Infrastructure)
 - g. Revenue contributions to public transport services
- 3.123. The Central Lincolnshire authorities may require planning applications to be supported by a Transport Assessment (TA) or Transport Statement (TS) to provide a technical assessment of all the accessibility issues and transport implications that may arise due to the development, in line with Local Plan policy S47. The TA or TS may be used in negotiating specific local off-site access improvements to allow the relevant LPA to assess the impact of the development plus any mitigation measures proposed as necessary. The LPA may seek a financial contribution or works from the applicant to provide any necessary mitigation measures in the form of a Section 278 and/or S106 obligation.
- 3.124. The wider transport implications of a development may also be addressed, in whole or part, through a Travel Plan (TP).
- 3.125. Guidance on the need for and scope of a TA, TS or TP can be found within the PPG and policy S47. Neither document is prescriptive about when a TA, TS or TP should be used. LCC's Development Roads and Sustainable Drainage Design Approach, available on the LCC website, provides general guidance on when a TA, TS or TP may be required and the scope of contents. In summary, this is dependent on the scale and nature of the development and should be agreed through early discussion with planning and highways authorities.
- 3.126. Typically, the TA, TS and/or TP will indicate what measures need to be in place, and therefore should be subject to a planning obligation, in order to mitigate the proposed development. Where a TA, TS or TP is not required, there may remain to be circumstances where a contribution is required.

Other Contributions which may be sought

Archaeology, Conservation and the Historic Environment

- 3.127. Central Lincolnshire has a rich historic environment that contributes strongly to its character and quality of life. This is recognised in the Local Plan in Policy S57.
- 3.128. Additional information on the location and types of archaeological sites and historic features throughout Lincolnshire can be accessed via the LCC's Historic Environment Record (HER). For more information, please contact the Historic Places Team at lincssmr@lincolnshire.gov.uk

- 3.129. New sites continue to be discovered, often as a result of development activities. It is therefore important that measures are taken when planning permission is granted to investigate, record, analyse and protect these assets.
- 3.130. Whilst the expectation is that virtually all matters relating to archaeology and the historic environment (historic landscapes, conservation areas, listed buildings, locally listed buildings, canals etc.) can be addressed through either pre-determination investigations or secured by planning condition, there could be circumstances when a legal agreement is required. All development which may have an impact on archaeologically sensitive structures or locations may be subject to planning condition and potential contribution towards facilities. The extent of the interest must be located and defined through a field evaluation in the first instance.
- 3.131. Where relevant and justified, the following provision may be sought, most likely through planning condition and in some cases planning obligation:
- a. Archaeological consultants and contractors for investigation, recording, analysing, archiving and reporting;
 - b. Provision for site management, interpretation schemes, public access and community projects; and
 - c. Provision of open space, to protect archaeological remains that are of sufficient importance to warrant preservation in situ, and the long term maintenance of the open space to prevent any form of ground disturbance
- 3.132. The approach will be applied throughout Central Lincolnshire, detailed information on sensitive areas will be provided by Lincolnshire County Council's Historic Places Manager.

Community Halls & Facilities

- 3.133. Village and community halls can be an important local recreational resource. This is recognised in Local Plan Policy LP15 which seeks to ensure that where possible existing community facilities are protected along with the requirement for new development to make provision either on site or off-site. LP15 and its supporting text define community facilities.
- 3.134. The provision of new and improved community facilities is considered to be a local issue. Therefore, with the exception of Sustainable Urban Extensions over the threshold set out below, contributions will not be sought and provision should be made utilising other funding sources such as the local proportion of CIL receipts which a neighbourhood or parish may receive.
- 3.135. Developments of 1,000 dwellings or more (including where the development is undertaken in phases) may be required to make provision for community facilities where a need directly related to the impacts of new development is identified. Such a need will be assumed and with a direct link to a development of that scale.
- 3.136. Where development generates a need for new or improved community facilities contributions the preference will be for the construction of new on-site community facilities where – options for shared use will also be considered potentially using Sport England's Village and Community Halls Design Guidance Note which sets out information about site planning, internal configuration, dimensions and construction standards. The extension and / or improvements to existing halls or facilities in the vicinity of the development could otherwise be a justifiable alternative, for example, if

more appropriate to contribute (in whole or part) to meet wider demand or combine facilities with demonstrable benefits to the public.

- 3.137. Contributions will therefore be physical provision on or adjacent to site community facilities or, where justified, financial contributions to off-site facilities.
- 3.138. The size and specification of the required facility will be identified with the applicant on a case-by-case basis to reflect the individual requirements of the development. This will use local evidence where available; consultation with the relevant district and county council departments; and consultation with local organisations such as town and parish councils.
- 3.139. The scale and proportionate nature of contributions will be calculated on the basis of the size/specification and build costs for community facilities as specified by the Building Cost Information Service (BCIS) or, where relevant, competitive tenders. This will be subject to indexation as appropriate.
- 3.140. Where provision is made for a new facility, provision for the long-term maintenance of the site must be addressed by the applicant for example, handing the site over to a third party, by ensuring a maintenance contract with a management company, or where an acceptable commuted sum is agreed with the relevant Council. Where a contribution is agreed through the use of other funding sources such as the local proportion of CIL receipts, consideration by all parties should also be given to the ongoing costs of the facility.

Contaminated Land

- 3.141. Proposals for sites that are known, or suspected, to be contaminated from a previous land use will be required to be accompanied by a contamination land assessment. Where the need for remediation is identified this will normally be secured through a planning condition however where this not possible then the LPA may seek to achieve such measures through a planning obligation.

Libraries

- 3.142. The Central Lincolnshire Authorities will not seek contributions for new standalone library facilities. This is considered a 'local' issue and therefore should be funded utilising other funding sources such as the local proportion of CIL receipts which a neighbourhood or parish may receive.

Appendix 1 S106 Frequently Asked Questions

Do I need a solicitor to complete the S106 Agreement?

You do not necessarily need a solicitor but it may be advisable because legal agreements and undertakings can restrict the use of the property in the future. Alternatively, some applicants may choose to use their agent or planning consultant. However, a solicitor will be required to confirm title to the land concerned.

Can a legal agreement cover more than one obligation?

A legal agreement may contain any number of planning obligations depending on the complexity and scale of the development and what would be necessary in order to grant planning permission. Where an obligation is very straightforward it may be contained in an undertaking which tends to be a short and simple document.

How long will it take to complete a legal agreement or undertaking?

This will depend on a number of issues including the complexity and size of the proposed development, the negotiations between the parties and progress made before the application is submitted or goes before the Planning Committee. It is the council's aim to carry out as much as possible of this work prior to consideration by Committee.

Straightforward agreements on noncomplex sites should normally be completed shortly after a favourable resolution. The council will look to commence negotiations with the applicant as soon as it is apparent that an agreement will be sought.

When does infrastructure or financial contributions need to be paid?

In order that the needs and impacts arising from new developments are addressed as soon as possible the council will generally aim to achieve the provision of infrastructure or payment of financial contributions on the commencement of development. In the case of outline planning permission and major phased developments, contributions may be paid in instalments on the commencement of each phase. The phasing of payments will be set out in the S106 agreement agreed by the applicant and the council.

Why are financial contributions Index Linked?

In order to maintain the value of contributions from the date of the planning consent until the time development is commenced, they will be index linked to reflect changes in, for example, the RICS All Tender Price Index.

How do I make payments to the council?

It is the applicant's responsibility to be aware of when payments are due and to ensure that they are made on time. Payments can be made by cheque, made payable to the relevant planning authority. This should specify the relevant planning application number, the date of the Legal Agreement and development site address.

Delayed payment of financial contributions will incur interest at 4% above Bank of England Base Rate. This is to ensure that the projects and works for which the contributions are earmarked are not unduly delayed or if delay occurs there is a contingency which may help negate the costs associated with delay.

What will happen to the payments?

When payments are received they will be recorded and noted against the relevant agreement and included in the receiving council's Capital Programme for spending. Progress with particular obligations and expenditure in general will be reported regularly as part of the Planning Service Authority Monitoring Report and the Council's Infrastructure Funding Statement published annually on or before 31st December each year.

How long will a S106 obligation run for?

Some requirements of a S106 obligation are of an ongoing nature, for example the maintenance of a facility or the community use of a building and so the obligation will continue for so long as development implemented under the associated planning permission continues. S106A of the Town and Country Planning Act 1990 also provides a procedure by which an applicant can apply for the formal modification or discharge of planning obligations.

Can you Modify a s106 Agreement?

Yes – s106 agreements can be renegotiated after it's been completed. The agreement can be modified or discharged either by agreement with the 'appropriate authority' (i.e. the local authority) (if the planning obligation is less than 5 years old) or by applying to the enforcing local authority after 5 years from the planning obligation being set out (or if it predates April 2010).

When can a s106 Agreement be changed?

From the time a s106 agreement is signed to the implementation of a development (or beyond) circumstances can change and make the requirements of the s106 no longer applicable or onerous.

One of the key reasons that agreements are modified is due to unforeseen costs associated with a development. In these cases, a viability assessment can confirm that the costs or obligations contained within a s106 agreement can no longer be met. These assessments must be robust.

The viability of a s106 agreement will usually be based on factors such as:

- a. Land value
- b. Professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site
- c. Building costs
- d. Abnormal costs, including those associated with treatment for contaminated sites, listed buildings or archaeological works or costs associated with brownfield, phased or complex sites
- e. Planning and other obligations such as CIL
- f. Taxes, duties and costs of financing
- g. Gross development value (GDV)
- h. Developers' profits
- i. Contingency allowances (if any)

What can Happen if I Apply for Modification of a Section 106 Agreement?

In accordance with s106A(6) of the Town and Country Planning Act 1990, a LPA can either:

- a. Decide that the planning obligation will continue as it is, without modification
- b. Discharge the obligation if it no longer serves a useful purpose.
- c. Modify the planning obligation as per the application.

How will the Local Authority Make Their Decision?

Planning authorities decide whether to accept renegotiation of a s106 agreement based on whether the obligation:

- a. No longer serves a useful purpose.
- b. OR would continue to serve a useful purpose in a modified way. (*Town and Country Planning Act 1990 – section 106A*)

Essentially, the local planning authority will consider whether the agreement still serves a purpose, and if it does, whether it would continue to serve the same purpose if modified in the way proposed by the applicant.

Appendix 2 Viability Assessment Information and Evidence List

Appraisal Format	<ul style="list-style-type: none"> • Hard and electronic version of planning appraisal in format that can be fully tested and interrogated, using the residual appraisal method
Proposed Scheme Details	<ul style="list-style-type: none"> • Floor areas: <ul style="list-style-type: none"> ○ Residential: Gross Internal Area (GIA) and Net Saleable Area (NSA) ○ Commercial/Other: Gross Internal Area (GIA) and Net Internal Area (NIA) • Proposed specification for each component of development, consistent with assumed costs and values • Residential unit numbers, sizes and habitable rooms including the split between open market and affordable tenures • Site area and densities
Development Programme	<ul style="list-style-type: none"> • Project plan, including land acquisition, prebuild, construction and marketing periods and phasing (where appropriate) • Viability cash flow (where appropriate)
Gross Development Value	<ul style="list-style-type: none"> • Anticipated residential sales values, ground rents, sales rates (per month), assumptions regarding forward sales and supporting evidence • Anticipated rental values, yields and supporting evidence (where appropriate) • Details of any likely purchaser incentives (where appropriate) • Anticipated value of affordable units based on evidence including details of discussions with Registered Providers & offers
Costs	<ul style="list-style-type: none"> • Build costs based on BCIS, with values correctly adjusted to reflect specific proposals and justified to demonstrate a reasoned approach has been taken in estimating costs • Where applicants use specific assessment of costs rather than a recognised source of information, expected build cost and supporting evidence including a fully detailed elemental cost plan demonstrating the basis of costs estimations and evidence of contractor costs. Disaggregated abnormal costs (if relevant) that can be benchmarked against BCIS • Details of other costs such as demolition costs and supporting evidence
Profit	<ul style="list-style-type: none"> • Profit on cost and value • Development yield (where appropriate) • Supporting evidence from applicants to justify proposed target rates of profit taking account of the individual characteristics of the scheme
Benchmark Land Value	<ul style="list-style-type: none"> • Existing Use Value (EUV) based on evidence including existing income, comparable data and details of condition of existing site. Justification for any premium applied over the EUV, taking in account of circumstances of site and guidance in SPD • Freehold/leasehold titles

	<ul style="list-style-type: none"> • Tenancy schedule – to include lease summaries (where appropriate) • Details of income that will continue to be received over the development period • Arrangements between landowner and developer, including any land sale, development or tenancy agreements • Evidence for how benchmark land value reflects planning policy
Planning Contributions	<ul style="list-style-type: none"> • S106 costs • CIL costs
Development Finance	<ul style="list-style-type: none"> • Finance costs appropriate to the type of proposal, reflecting that finance costs vary throughout the development period, with the majority of interest costs typically incurred during construction
Other	<ul style="list-style-type: none"> • Statutory declarations to verify accuracy of information submitted for example regarding the deliverability of the scheme • Other information requested by the Council having regard to the specific application

Appendix 3 Affordable Housing

Affordable Housing Commuted Sum calculation methodology

Values have been taken from the Central Lincolnshire Whole Plan Viability Assessment (June 2021) and uplifted in line with the Addendum report (March 2022). The values for 2 bedroom and 3 bedroom houses only have been used as these are typical of Affordable Housing provision.

Transfer values paid by Registered Providers for Affordable Housing units within Central Lincolnshire are typically around 55% of Open Market Value for blended affordable tenures.

The Developer's obligation is therefore the difference, as follows:

Open Market Value 100% of OMV
Minus
RP transfer value 55% of OMV
Equals
Developer obligation 45% of OMV

The commuted sum values which will form the basis of negotiations are therefore as follows:

	Value Zone A	Value Zone B	Value Zone C	Value Zone D
Average value 2 & 3 bed houses	£264,825	£235,850	£210,900	£188,100
Commuted sum: 45% of OMV	£119,171	£106,133	£94,905	£84,645

These figures will be adjusted on 1st April each year, in line with the % increase or decrease in house prices as established by the preceding September ONS East Midlands House Price Index data and published on the Central Lincolnshire website (www.central-lincs.co.uk).

Technical Housing Standards: Nationally Described Space Standards

For full details see: <https://www.gov.uk/government/publications/technical-housing-standards-nationally-described-space-standard>

Table 1 - Minimum gross internal floor areas and storage (m²)

Number of bedrooms(b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) *			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

*** Notes (added 19 May 2016):**

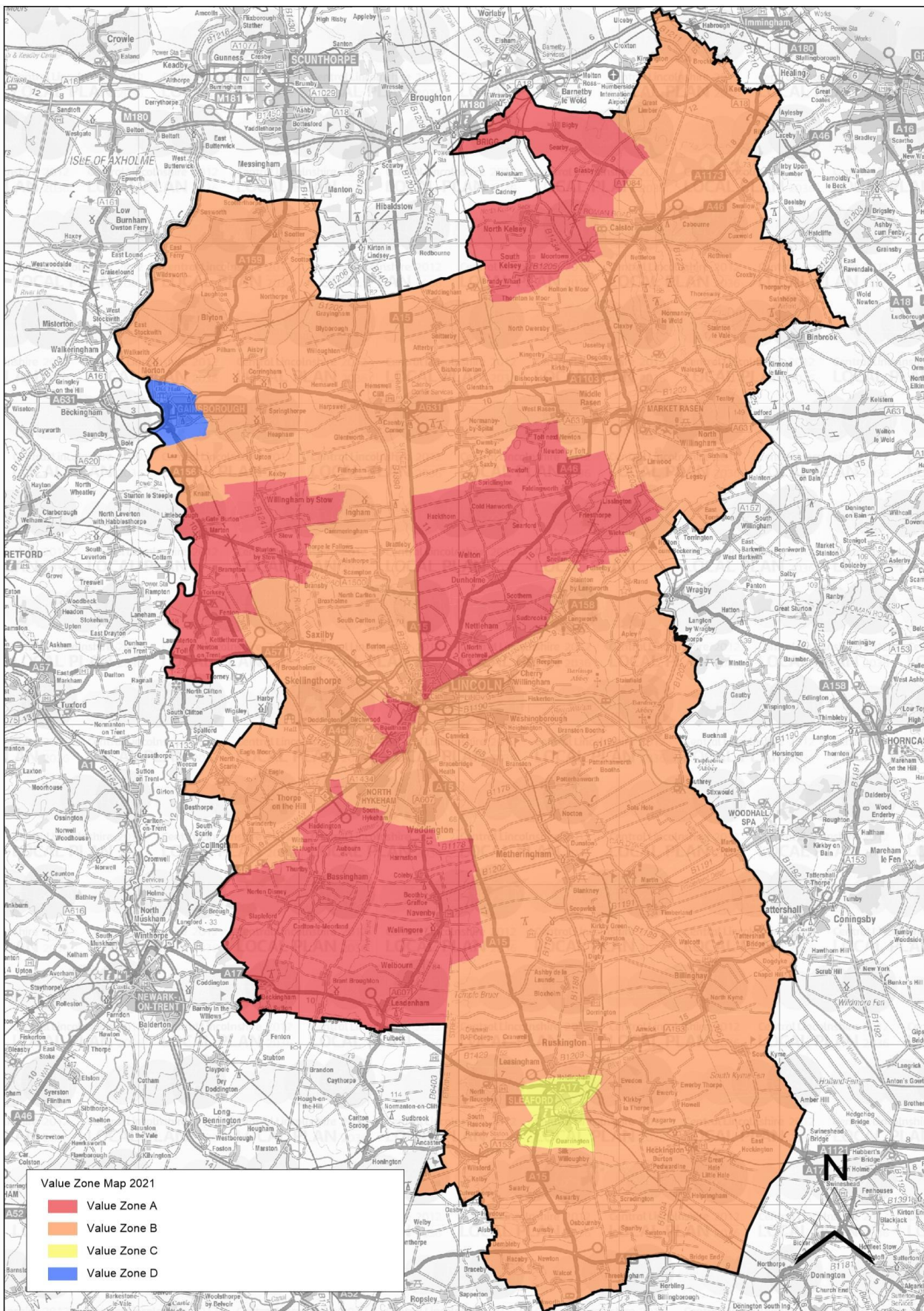
1. Built-in storage areas are included within the overall GIAs and include an allowance of 0.5m² for fixed services or equipment such as a hot water cylinder, boiler or heat exchanger.

2. GIAs for one storey dwellings include enough space for one bathroom and one additional WC (or shower room) in dwellings with 5 or more bedspaces. GIAs for two and three storey dwellings include enough space for one bathroom and one additional WC (or shower room). Additional sanitary facilities may be included without increasing the GIA provided that all aspects of the space standard have been met.

3. Where a 1b1p has a shower room instead of a bathroom, the floor area may be reduced from 39m² to 37m², as shown bracketed.

4. Furnished layouts are not required to demonstrate compliance.

Value zone map – please click the map to view interactive map to view in detail



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Appendix 4: Indicative Pupil Production, Education Costs and School Site Areas

As a guideline, pupil production per dwelling ratios (based on current LRO Research / Performance Assurance) are shown below:

No. of Bedrooms	Primary Pupils per dwelling (S106)
1	Zero
2	0.09
3	0.17
4	0.33
Unknown	0.2

Primary Education

- a. 1FE Primary School 210 places, will require, in general, a 1.1 hectare site
- b. 2FE Primary School 420 places, will require, in general, a 1.8 hectare site
- c. 3FE Primary School 630 places, will require, in general, a 2.7 hectare site

*FE= Forms of Entry

In line with Government Guidance, an indicative cost for school building provision within a new school or facility on a per pupil place basis can be found by visiting [Local authority school places scorecards - GOV.UK \(www.gov.uk\)](#). The national average will be adjusted accordingly to reflect the costs in Lincolnshire using BCIS location factors