

**Formulae Details for Supplementary Planning Guidance (SPG)
on Planning Obligations**

**draft for public consultation
February 2006**

Benefit	From Uses	Threshold(s)	Area Collected	Costs
Monitoring (Sheet A)	All agreements	N/a	Citywide	£500 / heads of terms
Education (Sheet B)	Residential	10 units	Citywide	See formula below
CCTV (Sheet C)	Commercial / Entertainments	1000m2 / 150m2	Tbc (anticipated W1)	From £10,000 commercial / £7,500 entertainment
Parking (Sheet D)	Residential	5 units	Citywide	From £5,000
Health (Sheet E)	Residential	50 units (or 10 units)	Citywide	See formula below
Open Space (Sheet F)	Residential /Commercial	10 units / 1000m2	Open Space Strategy areas	See formula below
Code of Construction Practice (In SPG 3.11)	Major complex development(s)	N/a	Major complex development(s)	Charged by time spent

For further information, please see the following formulae explanations:



Monitoring Contributions –standard charge and background Sheet A

- **Monitoring costs:**
The administrative and staff costs of monitoring planning contributions will be financed through a monitoring payment, which reflects the actual costs of monitoring agreements. Thus the more complicated an agreement, the more complex the monitoring and this is reflected in the cost.
- If an agreement is exceptionally complicated (e.g. 10+ items /heads of terms, variation on existing agreement etc.) and difficult to monitor it may be appropriate to request a contribution above the standard fee.
- The Monitoring payments will be used to fund:
 - Database development – initial cost £10,000, support cost £2,400 per annum
 - Monitoring Officer role – data entry, report function and monitoring
 - Site Inspections
 - Legal advice – non-payment procedures, legal action etc.
 - Finance liaison and tracking of financial benefits
- Estimate total annual sum for monitoring obligations = £50,000 approx. + RPI. The charge will be reviewed annually to reflect the actual costs of monitoring
- Further research into compliance monitoring is currently being carried out for Westminster

Formula: £500 + VAT per item (head of term) in legal agreement, or equivalent payable on completion of legal agreement, or equivalent

Education Contributions – formula and background

Formula Sheet B

The formula below details the mechanism for requesting S106 contributions for education:

- The use of S106 contributions for educational purposes has been carefully considered, including at City Development Overview & Scrutiny Committee (Nov 04), as pressure on school places, particularly in the primary sector, has escalated. It is also an approach that is encouraged by the recently published Circular 05/05 on Planning Obligations (July 05).
- Education should be widely defined to include early years provision, primary education and training for young adults, which will be covered in an additional paper on employment and training. Contributions will not be negotiated for secondary education, since the 'Building Schools for the Future' covers funding for this sector.
- The contributions should be used to fund a wide variety of education projects and the pooling of these contributions will allow more significant projects to be funded. A number of options are proposed as to how the contributions should be pooled. Funds could be pooled on a citywide basis, they could be linked to defined priority programmes, or they could be pooled on a more local geographical basis, for example by sub-area. Views are sought as to which approach is favoured by consultees.
- Westminster should negotiate contributions for education from housing developments with a net increase of 10 units and above, including affordable housing. Housing for the elderly, special needs housing and Houses in Multiple Occupation (HMOs) are to be excluded from the provision of education contributions.
- Calculating Education Contributions: To calculate child yield, the number of children arising from new housing developments, the London Household Survey (2002) data shall be used for private housing and the Westminster affordable housing allocations policy shall be used to calculate the child yield from affordable housing (see Appendix below).
- In terms of the specific Westminster context relating to those educated privately / outside the borough, the Westminster School Organisation Plan 2003-2008 has been used to calculate a 30% discount in child yield.
- The child yield shall be multiplied by the DfES Basic Needs Cost to calculate the S106 education contribution. Thus it is recommended that the formula outlined below is used as the method for calculating S106 contributions for education provision (see worked example below).

**Formula = Child Yield (- 30% discount) X Pupil cost per place
(£10,910 in Westminster)**

Sheet B Education Appendix

GLA Analysis (2005) of London Household Survey (2002)

	Child ages	1 bed	2 bed	3 bed	4 bed
Inner London Owner Occupied	0-4	0.04	0.08	0.15	0.23
	5-10	0.01	0.08	0.21	0.35
	Total	0.05	0.16	0.36	0.58

Westminster Affordable Housing Allocations Criteria

	1 bed (2 person)	2 bed (3/4person)	3 bed (5 person)
Children 3-10 years	0	0.75	1.5

Worked example:

100 new dwellings

20 private 1 bed units 27 private 2 bed units 23 private 3 bed units
 5 affordable 1 bed units 15 affordable 2 bed units 10 affordable 3 bed unit

	1-bed units	1-bed yield	2-bed units	2-bed yield	3-bed units	3-bed yield	Total units	Total yield
Private	20 x 0.05	1	27 x 0.16	4.32	23 x 0.36	8.28	70	13.6
Affordable	5 x 0.00	0	15 x 0.75	11.25	10 x 1.50	15	30	26.25
							100	39.85

Total child yield = 39.85 children

39.85 children (– 30% discount) = 27.855 x £10,910 = **£303,898 contribution**

Background Information

The pressure on school places has prompted discussions between the Planning and Children's Services Departments on specific large residential sites (e.g. Gatliff Road / West End Green) to negotiate contributions for educational provision. It is considered that the development of a formula to calculate these contributions would facilitate the S106 process and avoid the need for complex and time-consuming negotiations.

Threshold

Contributions will be sought from all residential schemes above the 10-unit threshold. This allows the cumulative impacts of smaller developments to be addressed and is the threshold used for open space and health contributions. It also avoids requesting contributions where there would not be a significant impact on existing education provision, and the processing and monitoring of the contribution may outweigh the benefit itself. Views are sought as to whether this threshold is considered appropriate. Housing for the elderly, special needs housing and HMOs are excluded, since it is considered that these developments will not generate high numbers of children.

Child yield

Westminster seeks education contributions from market and affordable housing. The GLA analysis of the London Household Survey (2002) in their DMAG Briefing 2005/25 on Child Yield is used to calculate the child yield from private housing. However, the London Household Survey is not used to calculate the child yield from affordable housing, since Westminster has its own affordable housing allocations policy. Westminster seeks contributions for education from affordable housing since it is clear that many school-age children in Westminster live in affordable housing. With a quarter of the population moving every year in Westminster and many recent migrants arriving in the city requiring accommodation, it is considered necessary to request contributions for education from affordable housing. The child yield figures are discounted by 30% to reflect the fact that a proportion of children in Westminster are educated privately and also outside the borough. The percentage has been derived from data contained within the Westminster School Organisation Plan 2003-2008.

Education contributions from off-site affordable housing

Where a commuted sum is received for affordable housing instead of on-site provision, an education contribution will be calculated for both the private housing on-site and the proportion of affordable housing that will be provided off-site, otherwise this may prejudice the on-site provision of affordable housing, by making the commuted sum option financially more attractive.

Unless the exact mix of the unit size of the proposed off-site affordable housing is known, an assumption will need to be made about the mix of units that the affordable housing commuted sum will be used to provide. It will be assumed, based on RUDP Policies H4 and H5, and housing experience that the unit mix will be:

1 bed = 10%
2 bed = 60%
3 bed = 30%

For example, for a 30-unit development, where a commuted sum is paid for offsite affordable housing:

Education contribution from private housing on-site
(e.g. 10 x 1bed, 10 x 2 bed, 10 x 3 bed) = **£43,531.00** (see child yield formula)

Education contribution for the off-site AH units
(based on RUDP H4 30% affordable housing policy)
i.e. 9 units x 1.43 off-site adjustment = 13 units
(1 x 1 bed, 8 x 2 bed, 4 x 3 bed) = **£91,644.00** (see child yield formula)

= **£135,175.00** total education contribution (plus AH commuted sum)

CCTV Contributions – formula and background

Formula Sheet C

The formula below details the mechanism for requesting S106 contributions for CCTV:

- It is proposed to use a formula to request S106 contributions for CCTV provision from all commercial developments in the defined area (currently anticipated to be W1, to be resolved in conjunction with Community Protection). This approach is supported by the Towards One City strategy.
- The cost of installation of a pole mounted CCTV camera is £25,000 with annual monitoring costs at £7,500 per year and annual transmission costs dependent on BT charges. Revenue costs need to be identified for a period of 10 years (the lifespan of a camera) to ensure that the installation is viable e.g.

Camera capital cost		£25,000
Annual monitoring	£7,500 x 10 =	£75,000
From developments requiring:	1 camera	£100,000
	2 cameras	£200,000

- S106 contributions for CCTV are currently negotiated on larger sites or from high impact uses in line with the costs outlined above.
- If circumstances are such that Community Protection does not feel that a camera is appropriate *in situ*, such as in areas where CCTV coverage already exists / on developments too small to provide a whole camera / in areas outside the initial CCTV programme areas, a contribution towards a CCTV fund in the vicinity could be negotiated.
- The cameras would provide an overall sense of supervision and surveillance for difference users in Westminster, approaching, leaving and travelling past developments. This supports the use of pooled contributions in the locality rather than just in the immediate vicinity of the development.
- It is proposed that any commercial (re)development / extension, with a net increase of 1000m² or above, should be considered as a potential bid for a S106 contribution. From 1000m² upwards, the contribution will be based on £10 per additional 1m² floorspace (figures are derived from camera costs in relation to floorspace and previous experience of contributions) e.g:

Commercial Uses	Contribution
1,000m ²	£10,000
2,000m ²	£20,000
2,500m ²	£25,000
3,200m ²	£32,000

- These funds would be designated to a ring-fenced account for the sole purpose of paying for CCTV cameras and monitoring.
- In addition where the development consists of or includes a new entertainment use (excluding theatres), where monitoring via CCTV on the street outside the premises is desirable but not a requirement of the scheme, the following contributions will be sought for the relevant proportion of 'entertainment use'. These contributions will apply to a net increase of 150m² or above, and will be based on £50 per additional 1m² floorspace e.g:

Entertainment Uses	Contribution
150m ²	£7,500
200m ²	£10,000
500m ²	£25,000

- Community Protection will provide crime hotspot data and map areas of deficiency of CCTV coverage that will help inform the decisions on whether to provide CCTV *in situ* or whether to negotiate a commuted sum, to be pooled and spent on CCTV projects in the vicinity. Community Protection is currently producing a five-year strategy that will provide a geographical analysis of areas of crime hotspots and CCTV deficiency in Westminster, which will determine areas where contributions are sought.

Formula:

Commercial: £10 / 1m² (above 1000m² threshold) i.e. from £10,000

Entertainment uses: £50 / 1m² (above 150m² threshold) i.e. from £7,500

Background Information

Westminster currently operates a network of over 100 public space cameras, which are recorded, monitored and managed from a central CCTV control room situated at the Trocadero Centre in the West End. The existing criteria for the installation of CCTV cameras is based on a crime and disorder audit of reported incidents and environmental audit information, which together indicate where the greatest need for cameras are and which will serve the greatest number of people. Cameras provided through planning obligations will be connected to the central CCTV control room and contributions will be used to fund the development of this network. A pilot project is also being undertaken on the deployment of WiFi cameras, which transmit images over a public radio waveband. Contributions for CCTV will be revised in relation to further development with this project.

Cameras or Contribution

Community Protection will advise when a CCTV camera(s) should be provided on site. However, in certain circumstances, such as when the development is too small to fund a whole camera, a contribution should be made into a pooled fund towards the CCTV programme in the vicinity. Community Protection is in the process of completing a Five Year Strategy for CCTV, which will include crime hotspot and CCTV deficiency mapping to help inform whether a camera or contribution should be sought. Contributions will only be sought if the development is located in the vicinity of an area that is covered by the strategy and mapping. Pooling will allow smaller contributions from a number of cumulative developments to fund viable projects to improve the overall safety of the area.

Land Use

Contributions will be sought from all land uses except residential. Crime impacts upon and is generated by all use classes and Community Protection is aware that burglary from office buildings is a growing area of priority, although the crime impact is usually the greatest from entertainments uses. It is therefore considered acceptable to request contributions from uses with a net increase in floorspace above 1000m² but with a greater contribution from entertainment uses, with the floorspace threshold set lower at 150m². Contributions are based on the real costs of cameras and monitoring, experience of contributions requested by Westminster in previous years and by other authorities, and the size and potential impact of the proposed development.

Parking - Payment for the Review of Parking (PROP) Formula Sheet D

The formula below details the mechanism for requesting S106 contributions for parking:

- RUDP Policy TRANS23 (Residential Parking) is under review. The Policy allows for the Council to collect financial contributions towards the cost of parking improvements. These contributions will be now known as Payment for the Review of Parking (PROP).
- The City Council has reviewed the Parking Mitigation sums received and due to be received. The scope for on-street mitigation works is progressively becoming more limited in the areas of peak residential demand and the old title for the Fund (Parking Mitigation Payments) has become increasingly inappropriate. The last evening and night-time surveys in 1998 are now out of date.
- Money will be collected to enable the Council to commission a new survey, likely to be carried out in spring 2006.
- A new survey would enable the Council to take decisions on new residential applications in the light of an up to date survey and enable the Council to re-examine TRANS 23 on parking mitigation measures in light of the up to date situation.
- Any surplus collected will be used towards the limited scope that exists for on-street improvements.
- On the basis of the survey results the City Council will review TRANS 23 on parking mitigation measures with a view to appropriately broadening their scope beyond the existing two RUDP categories of mitigation, on-street or developer provision off site. This will be part of the review of the Council's policies under the Local Development Framework legislation. Money will only be collected for schemes of 5 new units and above because of the potential implication of collecting funds for smaller schemes in terms of the costs of collection of the money and potential impact on the time it takes to determine smaller residential developments.

Formula: £5,000 for a net increase of five new residential units, with an extra £1000 per additional unit (where no parking / insufficient parking has been provided on-site)

Health Facilities Contributions – Formula Sheet E

The use of this model is not yet recommended in the absence of a clear understanding of the Primary Care Trust's investment programme.

- Westminster requests the provision of community facilities, including health facilities, from residential developments under policy H10 of the RUDP. These requests are made if a development consists of a net increase of more than 50 residential units.
- Since many residential planning applications in Westminster are for small sites, it may (as with Education payments) be sensible to set the threshold for health contributions at 10 units, lower than the Policy H10 threshold of 50 units. Therefore, smaller developments can address their cumulative impact and contribute to health facilities. The threshold will be determined when sufficient data is available to assess the impact of lowering the current 50-unit threshold.
- Provision of Health Facilities – Onsite
If facilities are to be provided on-site, liaison with the Westminster Primary Care Trust (PCT) is crucial since it will be able to provide details of additional sites required for the relocation / expansion of its operations from its 'Strategic Service Development Plan'.
- Provision of Health Facilities –Contributions
The on-site provision of health facilities is not always achievable or indeed desirable. However, the cumulative impact of numerous residential developments can put considerable pressure on existing health facilities. Therefore, where health facilities are not provided on site, a contribution, proportionate to the size of the development, should be made into a central fund that will pool contributions to provide health facilities in the vicinity.
- The HUDU Model:
To calculate these contributions, the NHS London 'Healthy Urban Development Unit' (HUDU) has developed a model to calculate the health element of planning contributions arising from residential development proposals (April 2005). It is the equivalent of the formulae for other contributions. The Westminster specific model can be viewed on the link below:

Formula:

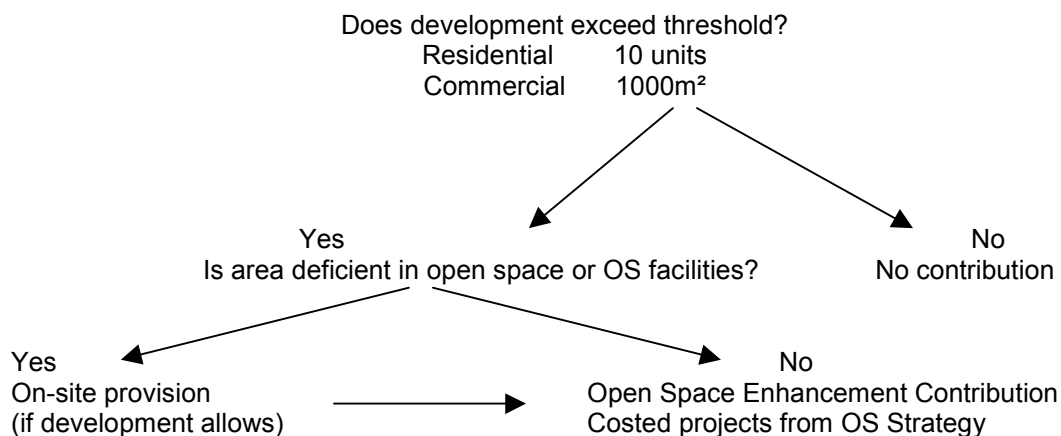
<http://www.westminster.gov.uk/environment/planning/majorprojects/hud.cfm>

- The model is based on London-wide research and has the ability to incorporate local variations for some criteria. The involvement of the PCT is crucial both to input the baseline health data for the model and to identify the projects to which the funds raised will contribute. The PCT will need to be able to provide regular updates on how the money is being spent, which is particularly important if the spending of the contributions is time-limited. Formalised liaison with the PCT is yet to be established.

Open Space Contributions – formula and background
Formula Sheet F (under development with the Open Space Strategy)

- The on-site provision of open space in larger commercial and residential schemes may negate the requirement for a financial contribution towards open space.
- Contributions for open space will be requested from all new housing with a net increase of 10 units and above and new commercial space with a net increase of 1000m² and above, where open space has not been provided.
- Contributions will be made towards provision of and improvements in amenity space including playspace and civic spaces and the provision of open space facilities including play equipment, seats, toilets and wildlife areas etc. In many central areas there is no space for on-site provision of amenity space and few spaces within walking distance (defined as 400m by the National Playing Field Association) to improve. Thus contributions should be pooled and used for improvements in Westminster.
- 2 types of contribution:
 - In kind provision of open space – to improve quantity of open space (using deficiency map provided by OS Study)
 - Open space enhancement contribution - improve quality of existing open space – projects outlined in OS Strategy (as additional pressure from new development placed on existing open space)

Flow chart of Open Space Contributions Strategy



Formula: £XX per unit residential OR £XX per m²
(Open Space Strategy will provide indicative costs)