



Draft S106 Planning Contributions Supplementary Planning Document

November 2019

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Note

- This is a draft SPD for consideration by Cabinet. It is intended to supplement the emerging draft Local Plan LP33 which is in its final stages of preparation. The local plan is currently in independent examination and an Inspector's report is expected early in 2020.
- This draft SPD will be amended to reflect changes in LP33 – if any - and then be subject to consultation for six weeks in early 2020 in line with the Council's Statement of Community Involvement and as prescribed in relevant legislation
- The SPD adopted alongside or shortly after the adoption of the Local Plan by Full Council to provide clarity on planning obligation requirements arising from LP33 and future reviews the council's requirements where necessary will be considered as part of any local plan policies review and update and/or review of CIL rates.

1. Introduction

1. This [DRAFT] Supplementary Planning Document (SPD) sets out the Council's approach to securing planning obligations. Planning obligations are negotiated between the council and developers and can take the form of:
 - requirements for parts of a development to be used in certain ways such as for affordable housing.
 - requirements for certain works to be undertaken or other restrictions or requirements on the form of the development such as for development to be car free.
 - payments to the council to help address the impacts of development – usually limited to those cases where it is not feasible to meet policy requirements on site and/or to mitigate specific development impacts for example the carbon emissions from development.
2. Planning obligations are 'secured' through planning agreements entered into under [section 106 of the Town and Country Planning Act 1990](#) by a person with an interest in the land and the local planning authority or through a unilateral undertaking entered into by a person with an interest in the land without the local planning authority. This is why planning obligations are sometimes referred to as Section 106 or S106 – requirements which is how we refer to them in the remainder of this document.
3. The purpose of this SPD is to provide as much clarity as possible for developers on S106 requirements and to support a consistent approach to requirements by the Council's planning service in respect of individual planning applications. The SPD also provides transparency on the Council's requirements for service providers and communities living and working in the area. The approach to securing S106 obligations is defined by law and government policy. These explain, as well as limit, the way in which the Council can use S106 to ensure that obligations are used appropriately and in a way that enables rather than stymies development.

4. **This guidance will be a material consideration in the determination of planning applications in Hackney.¹ This means that it will be used by Council officers to help assess whether to grant permission and on what basis this might be appropriate.**

5. In the future the Council will consider the approach and costs of requirements set out in this SPD alongside any review of Hackney CIL rates. This process may lead to a revision to this guidance and/or update to the Council's planning policies. In all cases this will be informed by research and evidence that will be the subject of public consultation.

LP33 provides the basis for all S106 requirements in this SPD

6. This SPD supplements policies in the Local Plan which is known as 'LP33'. LP33 provides a locally specific response to policies in the London Plan which is also part of the development plan for Hackney. LP33 makes clear that it is essential that development in Hackney continues to provide or fund local improvements and **non-infrastructure** items needed to mitigate the impact of development. It further states that the "provision of affordable housing, local open space improvements and/or additional facilities and requirements (including employment and skills initiatives, affordable workspace, green links and on-site provision of specific infrastructure) and securing appropriate scheme implementation and control of phasing where necessary will be delivered through Section 106 planning obligations as set out in the Planning Contributions Supplementary Planning Document" (paragraph 13.18).

7. LP33 was prepared in accordance with the National Planning Policy Framework 2012 under the transitional arrangements specified in the National Planning Policy Framework 2019 (NPPF). This means that the plan pre-dates the 2019 NPPF requirements to specify the level of development contributions in the plan. However, LP33 clearly identifies S106 requirements and the costs of meeting development plan policies (including S106 requirements arising from these) that have been tested

¹ It has been prepared in accordance with the National Planning Policy Framework and the associated Town and Country Planning Act (Local Development) (England) Regulations 2010 (as amended)

in the associated viability evidence to LP33. Further changes will be considered in the context of any Local Plan review and policy updates and/or review of CIL rates.

S106 can be used with CIL to deal with different levels of development impact

8. S106 is used alongside the Hackney [Community Infrastructure Levy \(CIL\)](#) and the Mayor of London's CIL to mitigate the impacts of a development and to ensure compliance with LP33. You should also review the Hackney and Mayoral CIL Charging Schedules to understand the CIL costs that would become liable on the basis of the scale and use of your development. In Hackney CIL is the primary mechanism for securing developer funding for infrastructure to deal with the **cumulative** impacts of development across the area and planned for in LP33. Hackney also collects a CIL on behalf of the Mayor of London. The S106 requirements identified in this SPD are therefore focused on mitigating the **specific** individual impacts of development in contrast to the cumulative impact of development which is dealt with by CIL.
9. There are legal restrictions on the way S106 can be used. S106 requirements must meet three legal tests² which are that they must be:
 - necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fairly and reasonably related in scale and kind to the development.
10. These tests are not repeated in every section of this document, but they are relevant to every S106 requirement identified. Officers in the Council's planning service will ensure that these tests are considered when negotiating and deciding on specific S106 requirements linked to the impact of a development.

² Community Infrastructure Levy Regulations (2010) as amended, Regulation 122

11. Certain requirements for works associated with a development, the submission of further information *or* other requirements related to a development and its operation can be secured by a planning condition. S106 will only be used where planning conditions cannot be; for example, S106 is typically used to secure financial contributions or if the planning obligation relates to works / actions outside of the planning application site. Planning obligations are also usually used to secure on site affordable homes and affordable workspaces.

How developers can use this SPD

12. This guidance provides the starting point to identifying S106 requirements and pre-application advice from the Council can help. A Planning Obligations statement should be included with planning applications addressing the S106 requirements identified in this SPD and matters arising from any pre-application advice received. Applications to amend previously permitted schemes or renew an existing permission will also be reassessed for any necessary requirements and so will need to take account of this guidance.
13. This SPD should be used alongside LP33 which sets out detailed policy requirements. Where relevant it should also be used in conjunction with adopted action plans or areas based SPDs. This SPD is organised by topics and Section 2 - 8 succinctly explain:
 - *why* the S106 requirement may be sought, with reference to relevant LP33 policies that underpin and justify the requirements, and *how* the council will approach securing the requirements.
 - *when* a S106 requirement *might* be sought related to the use, scale or location of a development; and
 - *what* is *likely* to be required including, where possible, an indication of the likely costs or how this will be calculated.

14. Appendix 1 identifies development yields used in the requirement calculations and appendix 2 summarises the key data sources and technical notes on the changes that have been made to the 2015 S106 SPD.

15. **Developers should review each section of this document to identify the S106 requirements that may apply to their development. Developers of residential schemes of less than 9 units should pay particular attention to Section 3 Affordable Housing provisions related to small residential schemes; Section 7 provisions related to car free development and Section 8 Carbon offset for small residential schemes.**

16. **Developments are by their nature unique so this guidance cannot form an exhaustive list of every planning obligation which might be required in every case. It is important to consider the particular characteristics of the site and form of the development when considering the S106 requirements to mitigate the impact of a specific development.**

Timing and triggers for action or payment

17. Payments associated with the S106 requirements set out in this guidance will normally be expected to be paid on or prior to the commencement of development to ensure that the relevant mitigation measures can be programmed and delivered to deal with the development impacts. Some requirements, such as those related to mitigating highway impacts, will be required in advance of commencement. There will be restrictions on commencement or occupation of the development until this contribution has been paid.

18. In exceptional circumstances, and where supported by viability evidence at the application stage, the Council may consider later 'triggers' for payment such as a set time after commencement or before occupation of a development. Where this is considered appropriate it will be set out in the committee report, or officers delegated report, which recommends whether or not permission should be granted.

Index linking payments

19. The costs identified in this SPD relate to the 2019/2020 financial year. Any payments will be set as a minimum and will be required to be index linked from the date of this SPD to the date that the payment is triggered to capture any increased costs to deliver the necessary mitigation. S106 agreements or unilateral undertakings specify the index to be used which is normally the Retail Price Index (or other such index as agreed). This will be specified in the agreement or undertaking.

Deciding on the S106 requirements in each case – the process

20. Once your planning application has been checked and approved by the council (known as validation), a planning case officer will be appointed to assess the application. Developers should be prepared to provide details of the title/deeds of the application site and contact information for their lawyer if a S106 agreement is likely to be required. This will help ensure any legal agreement or undertaking is completed efficiently for those applications granted permission. The planning case officer will work with developers, assisted where appropriate by other council officers, to identify and agree S106 requirements including any payments that will be required. If the application is for an outline permission it is usual to identify how the payment will be calculated in the agreement, or undertaking, as the details of the development that would allow the relevant contribution to be calculated may not be included at the time the outline permission is considered, or they may change at the reserved matters stage.
21. S106 requirements are based on the specifics of the case – and may vary from those set out in this document for example a higher or lower contribution may be considered necessary. In the case of lower contributions these should be justified by viability evidence. The Council may appoint a suitably qualified independent third party to assess any financial information submitted related to development viability. The costs of this assessment will be met by the applicant.
22. For major applications, any S106 requirements will typically be considered and determined by members of the planning sub-committee. For other applications decisions on the application will be taken by senior council officers who have authority delegated by the Council to determine such applications. If there is a resolution to grant planning permission the S106 agreement, or undertaking, will be finalised by the Council's Legal Team working with the applicant, or if appointed, the

applicant's lawyer. This can help to expedite the process. The agreement or unilateral undertaking will be completed and published alongside the decision notice granting planning permission by the Council.

Legal and Monitoring Support and Fees

23. Once the S106 agreements have been finalised and agreed by all parties they are secured in a legal agreement or unilateral undertaking. The S106 requirements, timing for delivery of certain works, payments or other non-financial obligations that have been identified in the committee or officers report will be specified in the agreement or undertaking.
24. Developers are required to pay reasonable legal and professional costs incurred by the Council in preparing an agreement or unilateral undertaking. These costs are payable upon completion of the legal agreement. The Council will also expect payment of a monitoring fee to monitor the implementation of the agreement. This is to meet the cost of monitoring the implementation of the agreement or undertaking.
25. The ability to charge a S106 monitoring fee is specifically authorised in law³ and the amount must fairly and reasonably relate to the development (rather than the three legal tests outlined in paragraph 9). A monitoring fee will be included in all undertakings and agreements based on the fee schedule below:

- **£555** per non-financial obligation; and
- **£555** or 5% of the financial contribution, whichever value is greater, up to a limit of **£5,550** per main S106 requirements (that is the main head of terms in the agreement) to ensure costs are reasonable.
- Larger developments, including phased development and outline applications, may be subject to additional monitoring fees to reflect the additional costs of monitoring. This will be calculated on a case by case basis.

³ CIL Regulations 2010 as amended, Regulation 122(2A)

26. The Council's approach to setting the fee is aligned with national planning practice guidance which makes clear that authorities can charge a fee to cover the cost of monitoring and reporting on delivery of planning obligations and further clarifies that such fees may be charged as a fixed percentage of the total value of the S106 agreement or individual obligation; or can be a fixed monetary amount per agreement. The costs identified are both proportionate and reasonable and reflect the cost of monitoring agreements in Hackney.

Land charges

27. Once the agreement or undertaking is completed the planning obligations become legally binding and enforceable through the courts. They are published on the statutory planning register alongside the planning permission decision notice. They are a local land charge and are also required to be registered in the Charges Register. This means that the S106 requirements run with the land, which means that even if the land is sold on, they still apply to the development.

Searching S106 Agreements

28. All completed legal agreements and unilateral undertakings are available on the statutory planning register which is online at www.hackney.gov.uk. This can be searched using a planning application reference or address.

29. The Council also periodically reports on planning obligations and, starting from December 2020, will identify in its *Infrastructure Funding Statement* details of financial planning obligations secured and spent. More information will be made available on our website once published.

2. Affordable housing

Context

30. The number one concern for residents in Hackney is the provision of genuinely affordable homes.⁴ Median house prices in the borough were more than 15 times median incomes in 2017.⁵ Assessments indicate that 26,250 new homes are needed over the LP33 plan period – and 92% of this need is for affordable housing.⁶ Hackney, in partnership with the GLA, has identified **capacity** to deliver 19,950 homes - 1,330 homes each year between 2019 and 2029.
31. LP33 includes a 50% affordable target based on viability testing of the local plan.⁷ This target could potentially deliver 9,975 units. This is massively short of the actual need for affordable housing but setting an affordable housing target level higher than this could prevent new development coming forward. LP33 strikes the balance between need and viability – which is a requirement of national planning policy.⁸
32. The high need for affordable homes – within the context of considering development viability - justifies the Council's approach of maximising affordable housing delivery from all sources. This necessarily includes non-conventional housing including student housing as well as more conventional residential developments (in planning use class C3). It also means maximising the affordable housing delivery from smaller residential developments of 1 – 9 homes. This is particularly important in Hackney where small residential development accounts for a significant proportion of delivery. In 2017 half of new housing came from sites of 9 units or less⁹.

Indicative Section 106 Requirements

33. S106 is used in Hackney to secure the provision of affordable housing on site as part of new developments. There will be some cases where it is not feasible to provide 50% of affordable units. In these instances the Council may consider provision of the

⁴ Hackney Local Plan LP33 paragraph 2.2 and informed by consultation

⁵ Authority Monitoring Report for 2017 – 2018, page 1

⁶ Hackney's Affordable Housing Need - June 2019 (Local Plan EIP EX18)

⁷ Hackney: Proposed Submission Local Plan and Community Infrastructure Levy Viability Assessment' (October 2018)

⁸ National Planning Policy Framework 2012 (the LP33 framework) and 2019

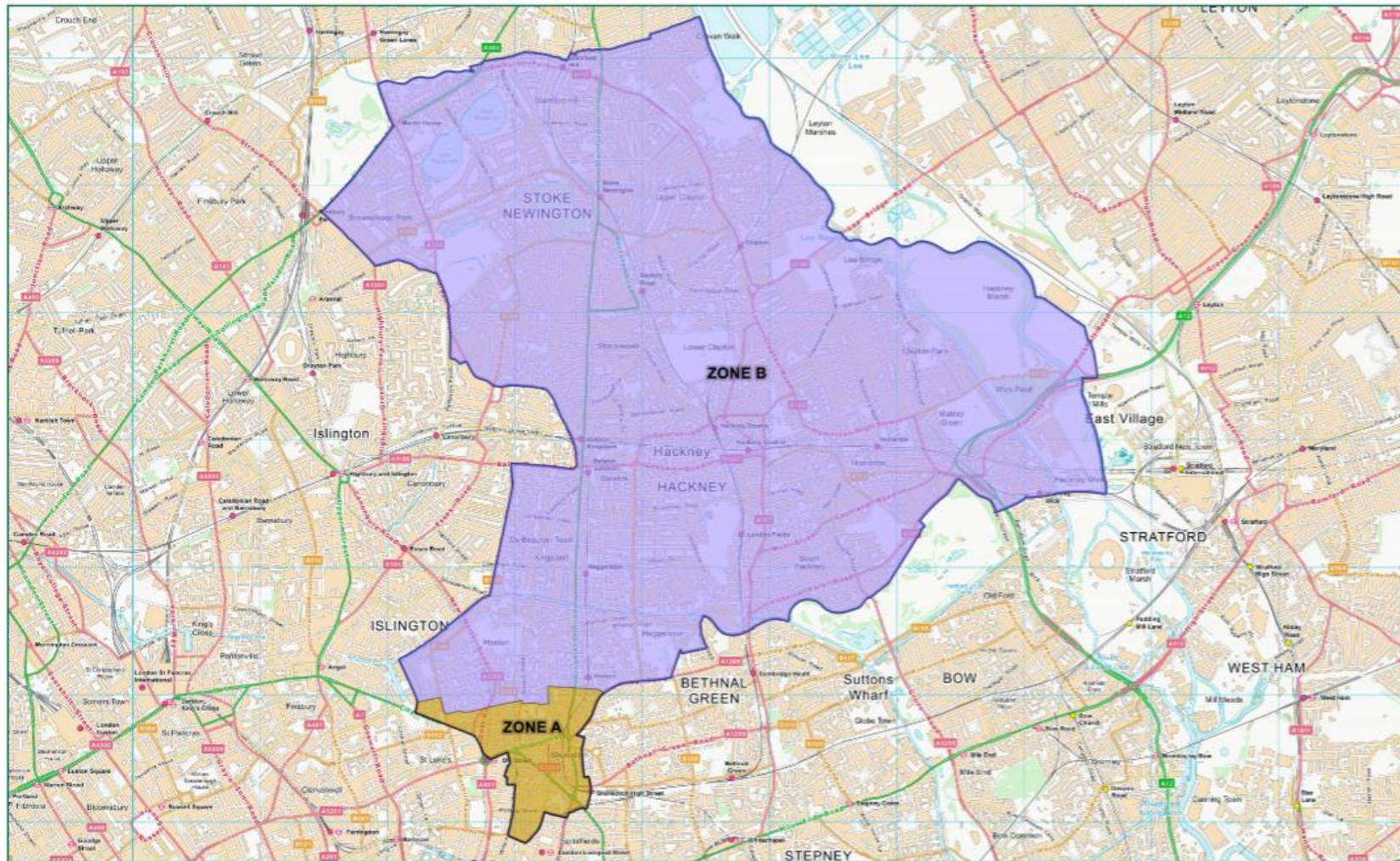
⁹ Authority Monitoring Report 2017 – 2018, page 32

units offsite, usually within the vicinity of the development or a financial contribution which will be put towards the delivery of housing within the borough. Feasibility challenges can be a particular issue for small scale developments. Because of this, LP33 provides an option for residential schemes of 9 or less to make a payment to the Council towards the delivery of new homes. The potential S106 requirements related to affordable housing may include those provided in the summary table below. Further guidance will be included in Hackney's Housing Supplementary Planning Document.

Table 2.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	Residential C3 use class (excluding build to rent)	10 or more residential units and/ or more than 1000sqm floorspace	Borough wide	Affordable housing 50% affordable housing on site* OR where not feasible a payment in lieu calculated on a case by case basis taking into account the development viability Where the provision of off-site affordable housing is accepted this should be provided in the borough and where possible in the vicinity of the site.	LP13 Affordable Housing
2.	Residential C3 use class (excluding build to rent)	1 - 9 units	Whole borough except 'City Fringe (on Map 1 page 10)	Affordable housing 50% affordable housing onsite where capable of providing onsite affordable housing OR A payment of £50,000 per unit (Number of units X £50,000)	LP13 Affordable Housing
3.	Residential C3 use class (excluding build to rent)	1 - 9 units	City Fringe area (on Map 1 page 10)	Affordable housing 50% affordable housing onsite onsite where capable of providing onsite affordable housing OR A payment of £60,000 per unit (Number of units X £60,000)	LP13 Affordable Housing
4.	Student Housing (C2)	All	Borough wide	Affordable housing A minimum of 50% of student rooms will be required to be affordable for students in the context of student maintenance loans and rents	LP20 Student Housing

5.	Housing for Older and Vulnerable People (C2)	All	Borough wide	Affordable housing Proposals for specialist housing for older people will be required to provide 50% affordable housing	LP18 Housing Older and Vulnerable People
6.	Large Scale Purpose Built Housing	20	Borough wide	Affordable housing At least 50% of the units delivered must be affordable and will be required to be London Living Rent linked to ward level income	LP15 Large Scale Purpose Built Housing
7.	Build to rent schemes (C3)	All	Borough wide	Affordable housing At least 50% of the units delivered must be affordable and will be required to be 55% of maintenance loans	LP15 Build to Rent
<p>Where on-site affordable housing is secured the agreement or undertaking will typically include details of the:</p> <ul style="list-style-type: none"> ● number, tenure and location of the affordable housing units; ● any standards that must be met; ● conditions relating to nomination rights; and ● if applicable any viability review to assess whether a greater level of affordable housing can be delivered if the level is lower than 50%. 					



 NORTH Scale: 1:39000 at A4		Affordable Housing CIL Charging Zones A and B	
	Ref.	Produced by: unspecified	please specify copyright statement
	14 November 2019	email:	

3. Affordable and low-cost workspaces

Context

34. Hackney's local economy is built around small and medium enterprises (SMEs) - Of the approximate 18,995 enterprises in Hackney, 91.3% of the local economy are micro sized enterprises (0-9 employees) and 7.4% are small (10-49 employees).¹⁰ Such businesses have relied historically on the availability of affordable workspaces.
35. Since 2002, a total of -136,000 m2 of commercial floorspace has been lost. The rate of release in Hackney has been the third highest in London with around 44% of industrial land lost. Hackney's average rental value achieved for offices between 2014 and 2016 was £40.65 per square foot. This represents an 89% increase on the average rental values achieved between 2009 and 2011 evidencing rapidly rising rents for office – and these rent hikes are even more pronounced in the south of the borough near the city which have rental rates well in excess of this. Research with businesses indicates that high rental levels and the lack of suitable premises (particularly the availability of move on space) are the main factors driving businesses out of the borough and pushing existing firms to consider relocation.¹¹
36. LP33 focuses on securing 10% affordable or low cost workspace where employment floorspace is provided. This builds on a long established policy approach in Hackney which since 2013 has secured 8,603.5 sqm of affordable workspace through S106 agreements.¹² Underpinning the approach is evidence on viability which suggests that ensuring affordability of this space – and not prejudicing delivery of development - means rent should be capped at 40% of market rents in Shoreditch and 60% of market rents elsewhere in other Priority Office Areas in the borough.¹³

Indicative Section 106 Requirements

37. Securing affordable and low cost workspace is essential to support the needs of SMEs – critical to Hackney's economy and for start-ups along with cultural and

¹⁰ See Hackney Economy, Workspace and Social Value Report, 2019

¹¹ See Hackney Employment Land Study 2017 Hackney and Islington Workshop Provider Workshop 2017

¹² Hackney Authority Monitoring Report, 2017-18

¹³ London Borough of Hackney: Proposed Submission Local Plan and Community Infrastructure Levy Viability Assessment' (October 2018)

creative enterprises such as artists' studios and designer-maker spaces, as well as charities and social enterprises who would otherwise be priced out of Hackney. S106 is used to secure the provision of this affordable workspace at capped rental levels for the life of the development – i.e. in perpetuity. The Council will require developers to show how this space is delivered. This will include ensuring that the space provided is appropriate and affordable taking into account rent paid – along with other fees an operator may charge to occupants of this space such as service charges. The Council will monitor and where necessary enforce this on an ongoing basis. The potential S106 requirements related to low cost and affordable workspace may include those provided in the summary table below.

Table 3.1

	Use	Scale / Impact	Location	Indicative S106 requirement *	Relevant development plan policy
1.	Employment (B1 use class)/ mixed use development	10 or more residential units and/ or more than 1000sqm AND involving redevelopment of existing low cost floor space	Locally Significant Industrial Areas, Priority Office Areas, Priority Industrial Areas, Central Activities Zone, and designated town centres identified on the LP33 Policies Map	Affordable and low cost workspace The maximum viable replacement low cost employment floor space (B1 use classes) will be provided. Planning obligations will be used to secure this floor space in perpetuity at equivalent rents and service charges in accommodation suitable for the existing or equivalent occupiers. A requirement for existing occupants to be given the option of being accommodated in the development where possible may also be included in any agreement.	LP29 Affordable Workspace and Low Cost Employment Floor space
2.	Employment (B1 use class)/ mixed use development	10 or more residential units and/ or more than 1000sqm	Shoreditch Priority Office Location identified on the LP33 Policies Map	Affordable and low cost workspace 10% of floor space (reduced by any replacement affordable or low cost floor space already provided) should be at 40% or less of current market rates. Planning obligations will be used to secure this affordable floor space in perpetuity.	LP29 Affordable Workspace and Low Cost Employment Floor space
3.	Employment (B1 use class)/ mixed use development	10 or more residential units and/ or more than 1000sqm	Priority Office Locations (excluding Shoreditch), Central Activity Zone and Town Centres identified on the LP33 Policies Map	Affordable and low cost workspace 10% of floor space (reduced by any replacement affordable or low cost floor space already provided) should be at 60% or less of current market rates. Planning obligations will be used to secure this affordable floor space in perpetuity.	LP29 Affordable Workspace and Low Cost Employment Floor space
4.	Employment (B1 use class)/ mixed use development	10 or more residential units and/ or more than 1000sqm where part of a varied permission on site increasing floorspace within four years of the commencement of the original development	Locally Significant Industrial Areas, Priority Office Areas, Priority Industrial Areas, Central Activities Zone, and designated town centres identified on the LP33 Policies Map	Affordable and low cost workspace Affordable or low cost workspace will be required in line with the requirements in rows 1-3 above.	LP29 Affordable Workspace and Low Cost Employment Floor space

	<p>Note: Where on site affordable workspace is provided, an Affordable Workspace Statement will be required to show how Affordable Workspace is delivered and an annual return on delivery is also requirement or that an annual return will also be secured through S106.</p>
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4. Social and Community Infrastructure

Context

38. LP33 sets out a positive framework for the delivery of social and community infrastructure and reinforces the Council's approach of working in partnership with key delivery partners including Hackney Clinical Commissioning Group (CCG) and Hackney Learning Trust to facilitate delivery of infrastructure. Development of new homes and workspaces identified in LP33 will give rise to demand for a range of social and community facilities including:
- Education
 - Health and Social Care Facilities
 - Sport and Leisure Facilities
 - Libraries, Museums and Archives
 - Youth Facilities
 - Community Facilities
 - Cultural Facilities
39. The need for new, improved or expanded social and community infrastructure to meet the demands and impact of development will vary. For example, there might be an under supply meaning expanded facilities are needed across the borough or in a particular authority. Alternatively there might be an over-supply meaning that expanding provision is not necessary. One example of this is that in common with many other parts of inner London demand for mainstream school places has been falling. So while demand for school places is likely to increase associated with development over the life of the plan, there is sufficient capacity at present to absorb this need. But this can change over time and is influenced by a range of factors unrelated to development such as birth rates and so will need to be kept under review in the medium to long term.
40. Social and community infrastructure capacity to meet demand from development - and therefore any planning obligations required - is not static in an existing urban context. The infrastructure planning assessments that¹⁴ have informed the local plan – and as set out in LP33 – will need to be continually updated to monitor and

¹⁴ Hackney infrastructure delivery Plan, 2018

respond. The Council will continue to engage key delivery partners to understand need and plan for delivery of the infrastructure to meet this need.

Indicative Section 106 Requirements

41. CIL is the primary tool for dealing with the cumulative impact of development on social and community infrastructure. Hackney’s CIL has been applied to a range of infrastructure projects including expanding day centre provision, provision of new sports infrastructure and libraries <https://hackney.gov.uk/hcil>. However, there will be times where a development gives rise to the requirement for social or community infrastructure – and in these cases S106 will be used.

42. Where a requirement for on-site social and community facilities to form part of a development has been identified in the LP33 site allocations (or Area Action Plans) - this may be secured through S106. S106 may also be used to secure provision of off-site social and community facilities if a development will lead to a loss of a social and community facility. This might be securing the redevelopment of a better quality facility off site *or* a financial contribution to pay for a better quality replacement facility or facilities. The potential S106 requirements related to social and community facilities may include those provided in the summary table below.

Table 4.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	Any – and as defined in site allocations in LP33 or action plan documents	10 or more residential units and/ or more than 1000sqm floorspace	Site allocations in LP33 or Area Action Plan	Community facilities On-site provision of facility will be required in line with the policy requirements set out in the relevant allocation. Such facilities <i>may</i> be secured through planning obligations.	LP8 Social and Community Facilities
2.	Any Where it leads to a loss of the social or community facility which meets needs	Any Where it leads to a loss of the social or community facility which meets needs.	Borough wide	Community facilities Delivery of an offsite replacement or alternative social and community facility will normally be secured through planning obligations or a financial contribution. This will be negotiated on a case by case basis and the type of contribution determined with reference to the facility being lost.	LP8 Social and Community Facilities

3.	Residential	<p>Development with local health impacts which individually give rise to a need for additional health facilities.</p> <p>Large scale development</p>	Borough wide	<p>Health Contributions Measures may include on site requirements for delivery or financial contributions towards mitigating the health impacts of the development where there is insufficient capacity to meet the needs of the individual development. This might relate to Primary Care: GP Services; Intermediate Care: day places and beds Acute Facilities: elective, non-elective and day care beds; Mental Health Services; or Revenue Contributions: covering the running costs of the above and the full range of community health services.</p> <p>Where facilities are secured on site measures to ensure that they are fit for purpose and affordable will be applied For large schemes with long build out programmes (phasing) there will be a review point to consider whether provision is best made on site or as a financial contribution to ensure it addresses the impacts of the individual development and models of service delivery. Health Impact Assessment will be used to identify and implement measures to mitigate adverse impacts. This analysis and assessment of costs will take into account Hackney Clinical Commissioning Group analysis of demand and supply and the NHS strategy for health care provisions/ estate planning.</p>	<p>LP8 Social and Community Facilities</p> <p>LP9 Health and Wellbeing</p>
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5. Jobs, Skills and Training

Context

43. Hackney's economy has grown in recent years, and our employment rate is higher, however this growth sits alongside significant deprivation. Poverty in the borough is the third highest in London and some of our neighbourhoods are amongst the most deprived local areas in England. In 2019 Hackney was ranked as the seventh most deprived local authority overall in England.¹⁵ Promoting economic and social inclusion in Hackney is a major priority for the Council and the wider sub-region. There is a need to improve the supply of appropriate local jobs in parallel with labour market and other training initiatives to raise the skills of residents so that they can access jobs. This is especially critical for disadvantaged or marginalised residents so they can gain access into the labour market.
44. Ensuring access to training and job opportunities from new development is an important policy objective of LP33. It is also central to the Council's Inclusive Economy Strategy 2019 which outlines the council strategy to enable the widest range of residents, local businesses, social enterprises, and community institutions to *“contribute, participate in and benefit from the opportunities which arise from a successful economy in Hackney, which;*
- *Support local neighbourhoods and town centres to thrive and to be inclusive, resilient places;*
 - *Champion and support local business and social enterprise in Hackney and protect and maximise the delivery of affordable workspace in the borough;*
 - *Connect residents to high-quality support and opportunities to learn new skills, get good quality work and to make progress in work over their career”*
45. Through this strategy the Council wants to address disadvantage in the labour market through “partnerships which offer more high-quality apprenticeships, skills and training, jobs and business opportunities to make it easier for anyone, whatever their background, to fulfil their potential”.

Indicative Section 106 Requirements

46. S106 is used to secure Employment and Skills Plans [templates will be available on the Council's website] associated with certain types of new development. They are

¹⁵ Index of Multiple Deprivation 2019

used to ensure that the opportunities are available to Hackney’s residents and are expected to include socioeconomic outputs and specific actions such as working with local schools, participation in job fairs and recruitment events and promotion of careers in construction and opportunities in the final development (operational use stage) development. The Council’s Employment and Skills Service will work with developers and contractors to support delivery of the plan – as well as to monitor its success.

- 47. Linked to the Employment and Skills plan, the Council will seek to ensure that the owner/developer (and their agent’s employees, contractors and sub-contractors) use ‘local labour’ and are encouraged to become London Living Wage employers. Local labour is defined as any person or persons aged 18 years or over who is a resident in Hackney or Hackney school leaver, or Hackney care leaver. The Council will seek to ensure all reasonable endeavours are used to secure a minimum of 25% of the workforce as Local Labour during the construction and demolition phase and during the first 5 years of operation from the first occupation of the development. During construction this may include, for example, labour for onsite security, facilities management and administration. Quarterly local labour and apprenticeship returns must be provided by the owner/developer - and will be secured through S106 - to demonstrate that local labour commitments are being met. Operational phase opportunities should be set out in the Employment and Skills Plan.

- 48. The Council will also seek to secure apprenticeships in the various building trades such as brick laying, carpentry, electrical, plumbing and plastering and the new methods of construction as well as within other non construction based opportunities such as business administration, information technology, accounting, project management and STEM related opportunities. Apprenticeships should last a minimum of 26 weeks and pay minimum wage, offered to a Hackney resident, or Hackney school leaver, or a Hackney care leaver. The potential S106 requirements related to jobs, skills and training may include those provided in the summary table below.

Table 4.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy

1.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s)	Borough wide	Employment and Skills Plan Developers will be required to prepare and submit for approval an Employment and Skills Plan. The agreed plan must be implemented and monitored with report to the Council on the intervals prescribed in the agreement and the agreed Employment and Skills training plan.	LP31 Local Jobs, Skills and Training
2.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s)	Borough wide	25% Local Labour The owner/developer (and their agent's employees, contractors and sub-contractors) will be required to use all reasonable endeavours to secure a minimum of 25% of the workforce as Local Labour and to report to the council quarterly on local labour commitments.	LP31 Local Jobs, Skills and Training
3.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s). AND Where the developments has contracts with a value of £2 million or more	Borough wide	Apprenticeships At least one full framework apprentice for every £2 Million of construction contract value. Or the equivalent number if a shared apprenticeship model is offered. A support fee of £1,500 is also required per apprentice placement. OR If the length of the build/project does not allow for an apprenticeship placement, and it can be demonstrated that all reasonable endeavours have been undertaken to deliver the apprenticeship, a financial contribution will be sought to offset this and enable the creation of alternative training opportunities elsewhere in the borough. Indicative cost calculation: £7,000 fee per apprentice	LP31 Local Jobs, Skills and Training
4.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s) AND where the developments has contracts with a value in excess of £5 million	Borough wide	Procurement Plan The owner/developer must engage with local suppliers directly and must supply the Council's Economic Development team with a full Procurement Plan identifying the services and materials that will be sourced for the lifetime of the project and the location of the suppliers they have been sourced from.	LP31 Local Jobs, Skills and Training
5.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s).	Borough wide	Employment and Training Contribution A financial contribution to support training, employment and local procurement during construction phase will be sought. Indicative cost calculation: Cost of training and support (£4,500) X Gross internal areas/ 1000	LP31 Local Jobs, Skills and Training

6.	All	Large scale development	Borough wide	<p>On site training facilities In some circumstances it may be appropriate to incorporate in-house / onsite training facilities/premises and/or an embedded employment coordinator as part of the development and for operational phases. Incorporation of training facilities should be implemented either by the individual developer, or if not viable, in partnership with other local developments facilitated the Employment and Skills Team.</p>	LP31 Local Jobs, Skills and Training
7.	All	10 or more residential units and/ or 1000 sqm or more floorspace OR any development which will employ 10 or more people either at construction /demolition and/or operational use phase(s).	Borough wide	<p>Employment and Training Contribution A financial contribution to support training, employment and local procurement during operational use phase(s) will be sought. Indicative cost calculation: Cost of training and support (£4,500) X Employee Yield* of the development (see page x below) X 0.24 (Employees resident in Hackney) X 0.29 (Employees potentially requiring training and support) *The employee yield figures are contained at Appendix 1</p>	LP31 Local Jobs, Skills and Training
8.	All	10 or more residential units and/ or 1000 sqm or more floorspace AND WHERE there is a loss of employment floorspace	Borough wide	<p>Employment and Training Contribution (loss of employment space) A payment towards any loss of employment floorspace by redevelopment will be sought for affordable workspace or business support. Indicative cost calculation First calculate Jobs lost = (gross employment floorspace lost) / 10.8 (benchmark average space requirement per employee) * 0.24 (24% employees resident in Hackney) Then calculate: Loss of employment contribution = Jobs lost X £4,850 (cost of training per employee)</p>	LP27 Protecting and Promoting Office Floorspace in the Borough LP28 Protecting and Promoting Industrial Land and Floorspace in the Borough

6. Open Space and Play Space

49. Hackney has almost 400 hectares of open space. Hackney's parks and green spaces are of a high quality and can have ecological and quality of life benefits for the community. Protecting and expanding this network of open space across the borough is central to the LP33 strategy.
50. LP33 sets out to maintain the overall level of open space provision as the population of the borough grows and so expects increases in open space as part of part of new developments over certain thresholds. LP33 identifies a standard of 14sq.m per person from major residential development. For major mixed-use and commercial development, the requirement has been adapted to 4 sqm per worker.¹⁶ This is a particularly important requirement in areas that have high open space deficiency but also overall given the constrained and highly developed nature of Hackney. Expanding the provision of open space it is a priority across the authority as reflected in LP33. The provision of new open space is a particular priority in areas open space deficiency.
51. Children's play space - both formal and informal space - is important for the development of physical, social and emotional skills in children and can improve health and reduce health inequalities. LP33 draws on London wide approaches established by the GLA¹⁷ including the requirement of new well-designed play space on site in development schemes that are likely to generate a child yield of 10 or more. In some instances site constraints mean this may need to be part of existing open space.

Indicative Section 106 Requirements

52. It is recognised that in some cases the site constraints and/ or development form might limit the quantum or quality of open space or children's play space that can be provided. So where on site provision is not feasible the Council may accept a payment in lieu of this secured through a S106 agreement. This will be used for improvements in the vicinity of the site to address demand for facilities in the context of the overall need for open and playspace or addressing the biodiversity impacts of the development in line

¹⁶ The quantum for open space required by the policy reflects the current amount of open space per person in the borough. This was identified through the LUC Open Space Assessment (2018)

¹⁷ Mayor of London's Play and Informal Recreation SPG, 2012

with the Council's Biodiversity Action Plan. The potential S106 requirements open space and play space may include those provided in the summary table below.

Table 6.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	Residential	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are not met	Borough-wide	<p>Open space contribution An open space payment towards an open space in the vicinity of / impacted by the development will be required where onsite standards are not met. Indicative cost calculation:</p> <p>Residential Open Space Shortfall = Residential yield x 14sqm (target for open space provision) – communal amenity space onsite</p> <p>Then: Calculate the Residential Open Space payment = Open Space Shortfall X £114.76 (cost of provision)</p> <p>See Appendix 1 for more details including residential yield</p>	LP48 New Open Space
2.	Mixed -use Commercial floorspace	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are not met	Borough-wide	<p>Open space contribution An open space payment towards an open space in the vicinity of / impacted by the development will be required where onsite standards are not met Indicative cost calculation</p> <p>Commercial Open Space Shortfall = 19 (Blended Benchmark Employee Yield) x 4sqm (target for open space provision) – communal amenity space onsite</p> <p>Then: Calculate the Commercial Open Space payment = Commercial Open Space Shortfall X £114.76 (cost of provision)</p>	LP48 New Open Space

3.	Specialist housing types such as supported housing	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are not met	Borough-wide	Open space contribution An open space payment will be required where onsite standards are not met. This will be calculated on a case by case basis using the following approach as a starting point. Indicative cost calculation Specialist Open Space Shortfall = Estimated residential yield of the proposed development x 14sqm (target for open space provision) – communal amenity space onsite Then: Calculate the Residential Open Space payment = Open Space Shortfall X £114.76 (cost of provision)	LP48 New Open Space
4.	Residential	10 or more residential units and/ or 1000 sqm or more floorspace	Borough-wide	Play space contribution Children’s play space can be accommodated within onsite open space. This assumes that the ongoing maintenance of play space will be met by the applicant. Where maintenance costs are not met a maintenance fee in perpetuity will be calculated by the Council.	LP50 Play Space
5.	Residential	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are met	Borough-wide	Play space contribution Where play space cannot be provided on site, but open space <i>is</i> provided a discounted contribution will be sought for play space to reflect that onsite open space contributes to informal play space. Indicative cost calculation Play Space Shortfall = Child yield x 10sqm X 115.50 (build cost and 5 year repair charge) X 0.5 (50% discount factor) See Appendix 1 for child yield	LP50 Play Space
6.	Residential	10 or more residential units and/ or 1000 sqm or more floorspace WHERE onsite standards for open space are not met	Borough-wide	Play space contribution Where open space and play space cannot be provided onsite, a contribution to playspace is required Indicative cost calculation Play Space Shortfall = Child Yield x 10sqm X 115.50 (build cost and 5 -year repair charge See Appendix 1 for child yield	LP50 Play Space

7. Sustainable Transport and Transport Mitigation

Context

53. Over 85% of Hackney residents travel to work on foot, by bicycle or using public transport. Hackney has the highest cycling rate in London – 8% of all journeys are taken by bike¹⁸ Hackney's Transport Strategy 2015-25 sets out the council's vision for improving transport locally. Building on this modal shift away from cars, It aims to improve conditions for walking and cycling, strengthen sustainable transport to support local regeneration, advance the case for key public transport infrastructure improvement, enable residents to access work opportunities, enhance accessibility for disabled people, improve air quality and reduce emissions
54. Managing the impacts of development is central to delivering this strategy. This means tackling the impacts of development at construction phase and limiting the impact of vehicles on the road network. This includes tackling the wider impact developments can have such as taxi/ private hire movements, home deliveries (food and online shopping), pedestrians and cyclists impact on the highway and public transport network capacities.
55. The Council collects the Mayor of London's CIL which is for strategic transport and is currently applied to costs associated with Crossrail. LP33 indicates that 'Hackney will continue to work with relevant partner organisations including Transport for London (TfL) to secure improvements to public transport. Where appropriate, developers will be required to contribute to improving walking, cycling and public transport infrastructure. Contributions will be secured through the use of Hackney's Community Infrastructure Levy or S106 agreements or alternative arrangements where applicable' (paragraph 10.11)
56. Car ownership has fallen more than 10% from 2001 levels. Only 34% of Hackney's households now own motor vehicles, compared with 57% across Greater London. Some areas, particularly in the South of the borough are 70% car free. All new developments in the borough must be car-free, which will restrict occupiers from

¹⁸ Transport for London, Travel in London 10 – Borough Level Local Implementation Plan Performance Indicators, 2016/17

accessing on street parking permits or those in council car parks in perpetuity with the exception of disabled parking.

Indicative Section 106 Requirements

57. The potential S106 requirements related to transport mitigation may include those provided in the summary table below. Further detail is also provided on the implementation of these requirements in paragraph 58 onwards below.
58. Travel Plans, Transport Assessments and Statements are all ways of assessing and mitigating the negative transport impacts of development in order to promote sustainable development. In line with national planning practice guidance they will be required for all developments which generate significant amounts of movement. Mitigation measures secured by condition or S106 might include:
- Highways mitigation measures including reinstatement works and wider measures to address highways impacts of development.
 - Public realm improvements in and around public transport stations and bus stops and in the vicinity of a development site which is identified as needing to be upgraded and/or will experience significant pedestrian movement.
 - Footway widening or other improvements to the pedestrian environment.
 - Additional bus routes or more frequent scheduling of existing routes or new bus stops, improved signage, timetable and waiting facilities.
 - On street cycle parking at nearby stations and/ or carriageway buildouts.
 - Electric Vehicle Charge Points on or offsite, in addition to London Plan policy requirements.
 - Electric car club provision and/ or electrified club bays on or offsite.
 - Other measures to promote safety and accessibility including ramps and CCTV cameras within the vicinity of development sites.

Highways works

59. The scope of any offsite works required to mitigate the impact of development will be secured in the legal agreement pursuant to section 278 of the Highways Act, and the necessary works will be carried out either by the Council, or TfL (where they affect the Transport for London Road Network (TLRN)).

60. The developer will be responsible for meeting all costs associated with the design and implementation of schemes. The cost is based on the cost of delivery and in most cases will be outlined in the transport assessment / transport statement and/or travel plan.
61. Highway reinstatement works should be completed in conjunction with the development to ensure that the required standards and appearance of the site is maintained – these works include but are not limited to damage to or relocation of street furniture, removal of redundant crossovers, paving, lighting and street trees etc.
62. The developer will need to give notice (usually 6 months) to the Council for the Council to complete the works. Developers will be required to pay the Council for the full cost of the works. An additional contribution is required if the cost of works exceed the original estimate within 14 days of this being confirmed. Conversely the developer will be entitled to a refund should the actual cost of works be less than the estimate. Implementing a permission quickly, giving the notice agreed in the legal agreement or undertaking and making payment promptly can minimise the likelihood of a difference between the estimate and actual costings.
63. The Council will provide a certificate detailing the final works and their cost, and if necessary, a requirement for the developer to pay for the maintenance of the works for a minimum of 12 months, after which the Council will be responsible for maintenance costs. Before the transfer of maintenance responsibilities, the Council (or TfL where in relation to the TLRN) will need to certify / approve the maintenance works to ensure they are of an adoptable standard. The developer will also be responsible for any compensation claims arising from the works and for any charges made by statutory undertakers to the extent their apparatus is affected by the works.

Construction Logistics Plan

64. The purpose of a Construction Logistics Plan (CLP) is to minimise the impact of construction logistics on the local road network. The aim of the plan is to reduce environmental impacts, road risk, congestion and cost.

65. The Council will require submission of a CLP to assist in managing the local and wider impacts of the development on the highway network. CLPs must be in line with latest TfL Construction Logistics Plan Guidance. The plan is normally secured by condition with any monitoring costs associated with the plan secured through a section 106 agreement.
66. A CLP should outline how the plan will be managed, implemented and reviewed. Monitoring of the CLP is to be undertaken for the duration of the development programme.

Travel Plans

67. Travel Plans (TP) are long-term management strategies for integrating and encouraging sustainable travel based on evidence of the anticipated transport impacts of development travel.
68. The Council will require submission of a travel plan to assist in managing the transport needs of a site for development which meet certain thresholds. Developers will need to meet the cost of publicising, implementing and monitoring the travel plan outcomes - including any financial penalties - until such time as the travel plan objectives are met.
69. A travel plan should outline how the plan will be managed, implemented and reviewed. Monitoring of the travel plan is to be undertaken on an annual basis for a minimum of 5 years or 5 years after all phases of a development are complete (whichever is longer), which will secure an ongoing process of continuous improvement. TPs must be prepared in line with must be in line with LBH Travel Plan guidance. It may be appropriate to amend the CLP and/or TP, by agreement with the Council in the light of development circumstances. Each version of the travel plan should report on its effectiveness.
70. The Council also charges monitoring fees for CLPs and TPs based on the scale and impact of the development. The likely fees are provided in the table below; however, costs for schemes with very high trip generation characteristics – typically large scale schemes – may vary.

71. In some cases, and only by agreement with the Council, developers can work with the Council's transport officers and hand over the development and implementation of a travel plan instead of delivering measures. Fees to support this would be secured upfront through a bond under the legal agreement with any unspent sums refunded to the developer. The specific details and arrangements are negotiated on a case by case basis

Table 7.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	All development	All		<p>Car free development All future occupants should be informed of this restriction. Where parking is permitted the council will secure provision of electric vehicle charging points normally by a planning condition but occasionally through S106 when not provided on site. Residential permits will be allowable in limited cases where as part of estate renewal scheme where existing returning occupiers may retain parking permits. Permits will be permitted in truly exceptional cases, where justified by a transport assessment.</p>	LP45 Parking and Car Free Development
2.	Residential	9 or less residential units and/ or less than 1000sqm floorspace	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures*, where they arise, will be based on a transport statement.</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure
3.	Residential	Major developments of 10 or more residential units and/ or 1000 or more sqm	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures* where they arise, will be based on transport assessments travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans - Monitoring Fees Developments which meet the threshold for a travel plan will need to meet the cost of publicising, implementing and monitoring the travel plan outcomes including any financial penalties until such time as the travel plan objectives are met.</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure

				<p>Travel plan monitoring fee: £2000 Construction and logistic Plan: £8750*</p>	
4.	<p>Education uses All schools, colleges, universities</p>	<p>1000 or more sqm or 20+ staff/ pupils</p>	<p>Borough wide</p>	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures where they arise, will be based on transport assessments, travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans - Monitoring Fees Developments which meet the threshold for a travel plan will need to meet the cost of publicising, implementing and monitoring the travel plan outcomes including any financial penalties until such time as the travel plan objectives are met.</p> <p>Travel plan monitoring fee: £5000 Construction logistic Plan: £8750*</p>	<p>LP43 Transport and Development, LP44 Public Transport and Infrastructure, LP44 Public Transport and Infrastructure, LP41 Liveable and Neighbourhoods LP42 Walking and Cycling</p>
5.	<p>Student housing</p>	<p>1000 or more sqm</p>	<p>Borough wide</p>	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures where they arise, will be based on transport assessments travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans - Monitoring Fees Developers will need to meet the cost of publicising, implementing and monitoring the travel plan and construction and logistics plan. Indicative cost calculation:</p> <p>Travel plan monitoring fee: £5000 Construction logistic Plan: £8750*</p>	<p>LP43 Transport and Development, LP44 Public Transport and Infrastructure, LP44 Public Transport and Infrastructure, LP41 Liveable and Neighbourhoods LP42 Walking and Cycling</p>

6.	All Planning Uses (except C3 and Education uses)	where 20-49 staff / visitors	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures where they arise, will be based on transport assessments travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans - Monitoring Fees Developers will need to meet the cost of publicising, implementing and monitoring the travel plan and construction and logistics plan. Indicative cost calculation:</p> <p>Travel plan monitoring fee: £2000 Construction logistic Plan: £8750*</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure, LP44 Public Transport and Infrastructure, LP41 Liveable and Neighbourhoods LP42 Walking and Cycling
7.	All Planning Uses (except C3 and Education uses)	where 50 or more staff / visitors	Borough wide	<p>Highways works and transport mitigation measures Highways and other S106 transport mitigation measures where they arise, will be based on transport assessments travel plans, construction and logistic plans.</p> <p>Travel Plans and Construction Logistic Plans Developers will need to meet the cost of publicising, implementing and monitoring the travel plan and construction and logistics plan. Indicative cost calculation:</p> <p>Travel plan monitoring fee: £5000 Construction logistic Plan: £8750*</p>	LP43 Transport and Development, LP44 Public Transport and Infrastructure, LP44 Public Transport and Infrastructure, LP41 Liveable and Neighbourhoods LP42 Walking and Cycling
8.	All	All	Borough wide	<p>Public Transport Contributions There may be site specific or site related local public transport interventions that are necessary to support the development which may need to be secured through Section 106 agreements or a Section 278 Highways Agreement.</p>	LP44 Public Transport and Infrastructure
<p>* Note on Construction Logistic Plan Monitoring Fees: This is an indicative and average cost is likely to be lower for smaller scale development and higher for large scale or complex development. It will depend on an individual assessment of the nature of the scheme and its impacts.</p>					

8. Carbon offset and other environmental mitigation measures

Context

72. Taking action to tackle climate change emergency is critical. LP33 includes an objective for Hackney to become a low carbon and carbon-resilient borough realising significant improvements to air quality and reducing the urban heat island effect within the Borough (objective 9). A zero carbon policy has already been adopted for major developments in line with the London Plan and the council expects this to be achieved on site.
73. This requirement for zero carbon development also applies to minor schemes – and carbon reduction is expected in existing buildings too. As highlighted in Section 2, almost half of housing delivery in Hackney is on small sites. The 2019 pipeline for housing identifies that 41% of planning permissions that have been granted are for sites of 9 units or fewer. To make a real difference to carbon emissions in the borough and to achieve the climate change objective this cumulative effect of smaller development must be addressed – and so the zero carbon emissions requirement applies to all scales of development.
74. LP33 also encourages lower carbon solutions as part of the energy efficiency hierarchy - an element of this strategy relates to supporting decentralised energy networks. Where appropriate developments can be designed in a way that maximise opportunities to connect to the existing network and future networks. Work on a Hackney Decentralised Masterplan is underway and will provide helpful guidance to developers on location of existing and future networks.
75. LP33 highlights other measures which may be necessary to address the specific impacts of the development or sensitive nature including relating to tackling pollution during the construction, operational and end of use stages, managing flood risk and other environmental mitigation.

Indicative Section 106 Requirements

76. Where it is demonstrably not feasible to achieve a zero carbon development on-site, evidenced by an energy statement, any shortfall should be provided through a payment in lieu contribution to the Hackney Carbon Offset Fund, and/or off-site provided that an alternative proposal is identified and delivery is certain. The payment towards the Carbon Offset Fund is secured through S106 and is based on a cross London cost of Carbon proposed by the GLA. To avoid the practical burden on very small-scale residential development where zero carbon is unlikely to be feasible, the council has provided the option to either pay a flat carbon offset fee or to submit an energy statement and, if necessary, make a carbon offset payment. The Carbon offset fund is used for projects that deliver tangible carbon savings in Hackney. This is in line with the Mayor of Hackney's Climate Emergency Declaration, including the target to 45% reduction in emissions against 2019 levels by 2030 and to be net zero carbon by 2040. It will also contribute to the Mayor's aim of London becoming a zero carbon city by 2050¹⁹.
77. Other environmental mitigation measures, where the specific impacts of the development or sensitive nature of the site necessitate it, may also be secured through S106. Examples of this might be securing measures to reduce flood risk in areas already identified as being particularly at risk or measures to improve or monitor air quality in locations already identified as having particularly high emissions.
78. The potential S106 requirements related to environmental mitigation may include those provided in the summary table below.

Table 8.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
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¹⁹ Guidance on use is Greater London Authority guidance for London's Local Planning Authorities on establishing carbon offset funds, October 2018. Hackney specific information is currently being developed.

1.	All	10 or more residential units and/ or more than 1000sqm	Borough wide	<p>Carbon offset contribution Major development proposals must include a detailed energy assessment to demonstrate how the zero-carbon target will be met within the framework of the energy hierarchy and will be expected to monitor and report on energy performance. Development that cannot achieve zero carbon emissions, will be required to make a payment to the Carbon Offset Fund for the shortfall of the reduction in carbon emissions as follows:</p> <p>£2,850 per tonne of carbon to be offset This is based on the cost of carbon currently set at £95 per tonne emitted over 30 years (i.e. £95X30 years)</p>	<p>LP55 Mitigating Climate Change</p> <p>Draft London Plan Policy SI (Sustainable Infrastructure)</p>
2.	All	<p>9 units or less / less than 1000sqm</p> <p>Where an energy statement is submitted</p>	Borough wide	<p>Carbon offset contribution Minor development where supported by a detailed energy assessment to demonstrate how the zero-carbon target will be met within the framework of the energy hierarchy and will be expected to monitor and report on energy performance. Development that cannot achieve zero carbon emissions, will be required to make a payment to the Carbon Offset Fund for the shortfall of the reduction in carbon emissions as follows:</p> <p>£2,850 per tonne of carbon to be offset This is based on the cost of carbon currently set at £95 per tonne emitted over 30 years (i.e. £95X30 years)</p> <p>Note: Due to the variability of energy demands benchmarks for different types of non-domestic buildings and until further studies are undertaken, minor non-domestic buildings will not have the option of a pre-defined payment as proposed in point 3 of this table. Instead they have the option to submit a simplified table indicating the target zero carbon emission, the estimated building emission and if there is any shortfall, the Carbon Offset Contribution, based on the price indicated above. This information can be retrieved from the calculation to be undertaken for the credits under the section 'Ene 01 - Reduction of energy use and carbon emissions' - from the BREEAM assessment.</p>	<p>LP55 Mitigating Climate Change</p> <p>Draft London Plan Policy SI (Sustainable Infrastructure)</p>

3.	Residential development	9 units or less / less than 1000sqm Where no energy statement is submitted	Borough wide	<p>Carbon offset contribution Minor development proposals that cannot achieve that zero carbon target have the option of making a predefined payment to the Carbon Offset Fund.</p> <p>For minor new-build residential developments (1 to 9 units) the cost of the offset contribution fee is below :</p> <p>Flats: £1,000 per flat Houses (which will include any residential typology other than flat): £1,500 per house</p> <p>This is an indicative minimum fee and the Council will update these figures based on further evidence.</p>	LP55 Mitigating Climate Change Draft London Plan Policy SI (Sustainable Infrastructure)
4.	All	10 or more residential units and/ or more than 1000sqm	Borough wide	<p>Securing connection to decentralised energy networks Planning obligations may be used to secure future connection to Decentralised Energy Networks</p>	LP56 Decentralised Energy Networks Draft London Plan Policy SI3 energy infrastructure
5.	All	10 or more residential units and/ or more than 1000sqm Any development leading to increased water runoff	Borough wide	<p>Flood risk mitigation / sustainable urban drainage New development can increase the rate and volume of surface water run-off, the Council may seek a monetary contribution for sewerage infrastructure improvement works, flood risk mitigation and sustainable drainage measures which are necessary in order to make the development acceptable in planning terms.</p>	LP53 Water and Flooding
6.	All	10 or more residential units and/ or more than 1000sqm (where the new development does not lead to reduction in emissions); or any developments in areas of sub-standard air quality* or development of sensitive uses or in close proximity to sensitive uses; or developments which involve significant demolition and construction	Borough Wide	<p>Air quality mitigation and management Off-site measures to improve local air quality secured through S106 may be acceptable, provided that equivalent air quality benefits can be demonstrated that on-site provision is impractical or inappropriate</p>	LP58 Improving the Environment - Pollution

7.	All	All – subject to individual development impacts	Borough wide	Construction management and /or other local pollution management Other measures to secure: effective on site construction management (such as adherence to the considerate constructors schemes) and to address local pollution impacts may also be secured where necessary	LP58 Improving the Environment - Pollution
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*Air quality focus areas are: Manor House junction/Green Lane/Seven Sisters Road; Stamford Hill/Amhurst Park Road/Stamford Hill Road; Seven Sisters Road at Finsbury Park; Clapton Road Junction Lea Bridge Road; Stoke Newington High Street/Stamford Hill/Rectory Road; Dalston Junction/Balls Pond Road/Kingsland High Road; Hackney Wick/Homerton High Street/Wick Road/Cassland Road/Victoria Park Road; Hackney Central/Amhurst Road/Dalston Lane/Mare Street; Old Street/City Road/Old Street/Great Eastern St/Shoreditch High Street

9. Retail and town centres management, cultural and entertainment impacts

Context

79. Hackney's town centres play an essential role in meeting community needs and contribute to the vibrancy and character of the borough. Small and independent retailers contribute to this and the variety of products, services and experience of town centres. LP33 identifies the need to deliver 34,000sqm of new retail and leisure floorspace by 2033. This includes up to 19,500sqm of comparison goods floorspace and 11,200sqm of convenience goods floorspace, with the remainder made up of other retail use.
80. The Inclusive Economy Strategy 2019 highlights the importance of supporting town centres "to thrive and to be inclusive, resilient places". The contribution of arts, culture and entertainment is significant to Hackney's community needs, economic development, vitality and regeneration. Public art can also bring a wide range of benefits to the whole community, from the economic benefits that high quality art brings to the developer, to the educational opportunities inherent both in the creation of and reflection upon public art. Art can help in the process of regeneration, fostering social inclusion and community involvement. Public art can also contribute to the borough's streetscape.
81. LP33 identifies that "[e]vening and night time economy uses contribute to the vitality and vibrancy of town centres and contribute positively to the visitor experience and local economy" (para 9.18). It also acknowledges that over concentration of these uses if not managed can have negative impacts on local communities and residents - including noise and disturbance and local environmental degradation. Hackney's late night levy has a particular role here. It is charge under the council's licensing (rather than planning powers) and is used to pay for policing and services and activities which: reduce or prevent crime and disorder; promote public safety and reduce or prevent public nuisance.

Indicative Section 106 Requirements

82. The Council may use S106 to secure measures that support management of town centres including the diversity of the offer and maintaining the quality of the environment as well as measures that support cultural uses. The potential S106 requirements related to retail uses and town centre management may include those provided in the summary table below.

Table 9.1

	Use	Scale / Impact	Location	Indicative S106 requirement	Relevant development plan policy
1.	Retail (A use classes)	1000sqm or more	Located within a designated town centre	Securing small and independent shops The Council will consider, <u>where feasible</u> , a requirement to incorporate small shop premises for occupation by small and independent retailers amounting to 10% of the gross internal floor space.	Policy LP37 Small and Independent Shops
2.	Retail (A uses classes)	Large typically over 2,500 square metres	Located within a designated town centre or CAZ	Town Centre Management and Enterprise measures The Council may seek planning obligations to mitigate the loss of affordable shop units suitable for small or independent traders on a temporary basis or in perpetuity where impacted by new or redeveloped shopping centres. Other Town Centre Management and Enterprise measures to help strengthen the retail offer, attractiveness and competitiveness of centres and improve environmental quality/ public realm may also be considered.	Policy LP37 Small and Independent Shops Policy E9 Retail, markets and hot food takeaways
3.	Late night entertainment uses (food, drink, nightclub or late entertainment or leisure use after 23:00)	All	Borough wide	Night time economy management measure Measures related to community safety impact such as CCTV or community safety wardens, managing local environmental impact (waste collection) mitigation and management plans where these measures cannot be secured by a planning condition and are specific to the impacts of the development.	Policy LP38 Evening and Night-Time Economy LP58 Improving the Environment - Pollution

4.	All	Where loss of cultural facility	Borough wide	Creative facilities / Project Contribution Provision of onsite cultural facilities or a contribution towards cultural, public art or creative projects should be provided to address any loss of cultural facilities.	LP10 Arts, Culture and Entertainment Facilities
5.	All	Large scale development case by case basis	Borough wide	Public Art Where appropriate public art or public art contributions will be sought as part of large-scale development schemes	LP10 Arts, Culture and Entertainment Facilities

10 Sources of Further information

83. More guidance on the use of S106 in Hackney and processes involved is on the website.

[INSERT on final publication]

Appendix 1: Development Yields

Employee Density/ Yield: Employee yield level of 10.8 sqm per employee should be used for B1a office space (as well as for Mixed B class office space). The 10.8 benchmark level is based on the Hackney Employment Land Study 2017. All other figures are taken from the HCA Employment Density Study (2015) and are reproduced in the extract below (which excludes office / mixed B class)

Use Class	Sub-Category	Sub-Sector	Density (sqm)	Notes
B1b	R&D Space		40-60	NIA lower densities will be achieved in units with higher provision of shared /communal spaces
B1c	Light Industrial		47	NIA
B2	Industrial & Manufacturing		36	GIA
B8	Storage & Distribution	National Distribution Centre	95	GEA
		Regional Distribution Centre	77	GEA
		'Final Mile 'Distribution Centre	70	GEA
B8 / Sui Generis	Data Centres	Wholesale	200-950	
		Wholesale Dark Site	440-1,400	
		Co-location Facility	180-540	
A1	Retail	High Street	15-20	NIA
		Foodstore	15-20	NIA
		Retail Warehouse	90	NIA
A2	Finance & Professional Services		16	NIA
A3	Restaurants & Cafes		15-20	NIA
C1	Hotels	Limited Service / Budget	1 per 5 beds	FTE per bed
		Mid-scale	1 per 3 beds	FTE per bed
		Upscale	1 per 2 beds	FTE per bed
		Luxury	1 per 1 bed	FTE per bed
D2	Fitness Centres	Budget	100	GIA
		Mid Market	65	GIA – both types tend to generate between 40-50 jobs per gym
		Family		

	Cinema	200	GIA
	Visitor & Cultural Attractions	30-300	The diversity of the cultural attraction sector means a very wide range exists
	Amusement & Entertainment Centres	70	Potential range of 20-100sqm

Residential Yield (open space)

Ward	Population Size	Number of Households	Average Household Size
Woodberry Down	8758	3621	2.42
Brownswood	8195	3715	2.21
Stamford Hill West	10288	3307	3.11**
Clissold	13141	5579	2.36
Cazenove	14356	5103	2.81
Hackney Downs	13064	5437	2.40
Springfield	15807	5576	2.83
Stoke Newington	13658	5884	2.32
Homerton	11655	5187	2.25
Lea Bridge	13988	5468	2.56
King's Park	12696	4713	2.69
Hackney Wick	11773	4826	2.44
Hackney Central	12381	5456	2.27
Victoria	12362	5286	2.34
London Fields	12085	5260	2.30
Shacklewell	8721	3548	2.46
Dalston	7635	3415	2.24
De Beauvoir	8494	3676	2.31
Haggerston	12850	5550	2.32
Hoxton East & Shoreditch	11875	5493	2.16
Hoxton West	12356	5592	2.21

Note: In 2014 new ward boundaries were introduced so it is not possible to directly source data from the 2011 Census for the wards affected by the changes. The 2011 Census data contained in the table above is built up from smaller geographies and uses a 'best fit methodology'. There may be some anomalies in the new data due to rounding. Subsequent research in Stamford Hill indicates there may be an underestimate in occupancy levels shown above.

Child Yield: HACKNEY CHILD YIELD CALCULATOR GLA Model -East London Sub-Region

<u>Market unit numbers</u>				
Early Years Yield	<i>0.0171</i>	<i>0.0393</i>	<i>0.0373</i>	<i>0.0807</i>
Early Years	0.0000	0.0000	0.0000	
Primary Child Yield	<i>0.0618</i>	<i>0.1448</i>	<i>0.1511</i>	<i>0.3361</i>
Primary Children	0.0000	0.0000	0.0000	
Secondary Child Yield	<i>0.0064</i>	<i>0.0258</i>	<i>0.0827</i>	<i>0.2174</i>
Secondary Children	0.0000	0.0000	0.0000	
Post 16 Yield	<i>0.0086</i>	<i>0.0147</i>	<i>0.0302</i>	<i>0.0636</i>
Post 16	0.0000	0.0000	0.0000	
<u>Intermediate unit numbers</u>				
Early Years Yield	<i>0.0171</i>	<i>0.0393</i>	<i>0.0373</i>	<i>0.0807</i>
Early Years	-	-	-	
Primary Child Yield	<i>0.0618</i>	<i>0.1448</i>	<i>0.1511</i>	<i>0.3361</i>
Primary Children	-	-	-	
Secondary Child Yield	<i>0.0064</i>	<i>0.0258</i>	<i>0.0827</i>	<i>0.2174</i>
Secondary Children	-	-	-	
Post 16 Yield	<i>0.0086</i>	<i>0.0147</i>	<i>0.0302</i>	<i>0.0636</i>
Post 16	-	-	-	
<u>Social Rented unit numbers</u>				
Early Years Yield	<i>0.0216</i>	<i>0.0956</i>	<i>0.1403</i>	<i>0.2201</i>
Early Years	-	-	-	
Primary Child Yield	<i>0.0818</i>	<i>0.3621</i>	<i>0.6122</i>	<i>1.0787</i>
Primary Children	-	-	-	

Secondary Child Yield	<i>0.0242</i>	<i>0.1052</i>	<i>0.4961</i>	<i>1.2767</i>	
Secondary Children	-	-	-		
Post 16 Yield	<i>0.0123</i>	<i>0.0331</i>	<i>0.1326</i>	<i>0.3285</i>	
Post 16	-	-	-	-	

Appendix 2: Technical notes and data sources

Background

- A. Standard payments are identified to secure financial contributions to offset the impact of a development where LP33 standards cannot be achieved on site and are clearly identified in LP33 such as for affordable housing and carbon offset payments. Formulae based calculation methods included (such as that for employment and training, open space and play space) carry forward the method of calculation already established in the Hackney Planning Obligations Supplementary Planning Guidance, 2015.
- B. This guidance does not introduce any **new** section 106 tariff approaches and where formulas included these forward the approach established in the 2015 SPD where justified and underpinned by policies in LP33 . This approach planning practice guidance published in September 2019 alongside the CIL Regulation Amendments 2019 (2). Changes, where made, are limited to updating the data sources on yields or population changes; however, it should be noted this guidance seeks to maintain rather than increase the broad level of financial contribution sought under the 2015 SPD by capping the unit delivery cost at 2015 levels. Changes will be reviewed and consulted on - and where necessary policies updated and examined – in parallel with any future review of CIL rates.
- C. Key sources/ background data in relation to these standard charges, where identified, are summarised below.

Monitoring fee

- D. The monitoring fee has been established with reference to analysis of the costs of monitoring S106 agreements and the associated resources that support this system – comprising staff and software costs. Despite the new and expanded reporting requirements associated with S106 since 2019, continuous improvements in monitoring systems has allowed the council maintain the 2015 SPD fee level of £500 which has adjusted for inflation for inclusion in this SPD (based on RPI All in Tender index Q4 2015 260 Q4 2015 and 290.7 Q3 2019).

Monitoring fee – Construction Logistics Plan

- E. Developers that are required to submit a CLP as part of the planning process must contribute towards the assessment and monitoring of the Plan for the duration of the development programme. This is done through a non-refundable monitoring fee. As

indicated in Section 7 of the draft SPD this can and may vary based on the complexity of the scheme and its impacts leading to lower or higher charges.

Monitoring fee - Travel Plan

- F. Developers that are required to submit a TP as part of the planning process must contribute towards the assessment and monitoring of the Plan for a minimum of 5 years. This is done through a non-refundable monitoring fee. The costs specified in the SPD reflect the costs associated with monitoring agreements.

Financial Contributions for affordable housing of 1 – 9 residential units

- G. Developments of 9 or less units – where not proposing to accommodate affordable housing on site – are required to make a financial contribution instead. The 'London Borough of Hackney: Proposed Submission Local Plan and Community Infrastructure Levy Viability Assessment' (October 2018) tested emerging policies in the Draft Local Plan alongside amounts of CIL. This was subject to an examination in public and justifies the LP33 policy approach and specified that indicative sums of £100,000 per unit could be supported. Further supplementary sensitivity testing is undertaken in the London Borough of Hackney: Small sites affordable housing contribution - Viability Study, April 2019 which include a larger buffer or discount – which means a discount from the maximum amount that can be charged based on viability testing - to allow for variances in development cost of different sites. This larger discount (April 2019 study) has been adopted in this SPD. Different charges apply in different parts of the borough: one for the City Fringe broadly (£60,000 per unit) and another for the rest of the borough (50,000 per unit). This reflects an assessment of the different viability levels between these two areas arising from the development values.

Jobs, Skill and Training / Loss of Employment Space Contribution -

- H. The method of calculation established in the 2015 SPD is retained. Source data is as follows:
- Cost of training and support (£4,500): Hackney has chosen the cost profile for the JSA 25+ group as a representative cost which is at the lower end of the cost spectrum and fixed the sum at 2013 costs for parity with 2015 SPD as set out in:

<https://www.gov.uk/government/publications/work-programme-costs-to-31-march-2013>. A more recent update indicates a higher cost level. However, rates have been capped at 2013 levels as set out in the 2015 SPD.

- Employee yield – see Appendix 1 which sets out that this is based on the Employment Land Study 2017 with all other figures are taken from the HCA Employment Density Study (2015).
- 0.24 Employees resident in Hackney In 2018 there were 147,900 employed people living in Hackney. According to the 2011 Census the proportion of Hackney residents living in Hackney who also work in the Borough is 24%.
- 0.29 (Employees potentially requiring training and support) According to Annual Population Survey 2018, 71% of Hackney's working-age adults were employed meaning 29% are not in employment and are likely to be studying or in need of further training to access the job market. The costs of training and support £4,850 is the cost of training, preparing and placing a long- term unemployed person into sustainable employment paid by the DWP to its suppliers.

Open Space

- I. The method of calculation established in the 2015 SPD is retained. Source data is as follows:
 - 14 sqm or 4 sqm target per person is stipulated in LP33 and underpinned by Hackney Open Space Study
 - Residential yield – see appendix 1
 - Employee yield - a blended figure of 19 sqm per person is maintained from 2015 rather than the updated 10.5 figure for office. This reflects the fact that the density figure used
 - £114.76 cost of delivery is based on a Hackney Leisure and Green Spaces study to calculate the cost for the development of a new two hectare local park in 2011 (and used in the 2015 SPD).The cost profile is based on a model public open space of 2 hectares containing the features below has been created including: Remediated soils, assuming a polluted brownfield site; a drainage system; a boundary railing and gates; a footpath network; a central paved area; an area for a playground with a boundary fence and gate (playground not costed); street furniture – benches, bins etc; a water feature. The study identified £1,262,746 capital cost of a new park and £1,032,450 ten years maintenance of park. The sum of which totals £2,295,196 for capital and maintenance cost. This equates to £114.76 per sqm for a new park and ten years

maintenance (using 2ha park size). Capital costs are based on typical industry rates at Landscape Institute Stage C (Design) at 2011. Annual management and maintenance costs are based on current prevailing industry rates for the maintenance of a site of a similar size and have been calculated for a ten-year period at 2011. CCTV; Pop-up power and water for events and maintenance; Grass seeding; Shrub and herbaceous planting; Tree planting

- J. The cost level has not been capped rather revised upwards to 2019/2020 prices to ensure cost can be absorbed but will be considered as part of any review of CIL rates and this guidance and where supported by relevant evidence.

Play Space

- K. The method of calculation established in the 2015 SPD is retained. Source data is as follows:

- 10sqm playspace standards is based LP33 Policies and also reflected in the London Plan Play and Informal Recreation Supplementary Planning Guidance, 2012
- Child Yield – see appendix 1, table 2 of this document
- £115.50 (build cost and 5 year repair charge comprising build cost per sqm = £77 per sqm and 5 year repair charge = £38.50 per sqm) The cost of building and maintaining children’s play space has been calculated based on 2011 projects. The average development cost per child play space is £77per sqm (rounded). The average annual repair cost is £7.70per sqm. The annual repair cost is taken at 10% of the total development cost. Most play facilities have a design life of 10 years after which time it is generally more cost effective for full replacement. However given the difficulty in projecting repair costs over the longer term a shorter 5 year planning horizon is considered more appropriate. Therefore, the total repair charge covering a 5-year horizon equates to £7.70 multiplied by 5 years giving a total of £38.50 per sqm.

Play Area	Year	Area in sqm	Build cost	Build cost per sqm	Annual Repair Replacement cost	Annual repair cost per sqm
Hackney Downs	2010	1345	82000	60.966543	8200	6.0966543
Clissold Park	2012	3150	180000	57.142857	18000	5.7142857
Clapton Common	2011	932	102000	109.44206	10200	10.944206
Stonebridge	2010	1218	100000	82.101806	10000	8.2101806

Average	1661.3	116000	77.413317	11600	7.7413317
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Source: Hackney Parks Service

- L. The cost level has not been capped rather revised upwards to 2019/2020 prices to ensure cost can be absorbed but will be considered as part of any review of CIL rates and this guidance and where supported by relevant evidence.

Carbon Offset

- M. The Carbon Offset Cost is based on the cost of carbon currently set at £95 per tonne emitted over 30 years i.e. £95 multiplied by 30 years. This is reflected in the Draft London Plan and the Carbon Offset Funds: Greater London Authority guidance for London’s Local Planning Authorities on establishing carbon offset funds, October 2018. The latter states that this “is intended to be the price LPAs adopt, unless LPAs have set their own local price”. The recommended GLA carbon offset price will be reviewed regularly.
- N. The flat fee rate for minor residential development has been adopted from the study by AECOM/Davis Langdon for the London Borough of Islington, entitled Promoting Zero Carbon Development Phase 2, November 2010. This fee is a realistic proxy for costs for the borough, as the neighbouring authority has similar typologies and urban characteristics. Further studies will be undertaken and the associated policies and guidance updated as necessary.