

Hartlepool Local Planning Framework

Planning Obligations Supplementary Planning Document

Adopted Version



November 2015



This document is the Supplementary Planning Document (SPD) which outlines Hartlepool Borough Council's approach on Planning Obligations which will be required in relation to development within the Borough.

A draft version of this document was published for a formal eight-week public consultation between 23rd May 2014 and 18th July 2014 period as part of the development process. As a result of this consultation 12 comments were received from 10 different organisations. These comments have been considered in a feedback report which has been published, and have been taken into account in producing this final document.

Following changes to Planning Practice Guidance in relation to Planning Obligations and updated housing figures presented in Hartlepool Strategic Housing Market Assessment (SHMA) endorsed by Hartlepool Council on 19th March 2015. Hartlepool Borough Council's Regeneration Services Committee requested additional analysis in relation to the affordable housing requirement and what could realistically be achieved.

An Affordable Housing Economic Viability Assessment (AHEVA) has been undertaken. The assessment focuses on the deliverability of affordable housing when coming forward as part of private housing market lead developments.

The AHEVA will sit alongside the existing SHMA and inform the overall delivery of the objectively assessed housing need. The affordable housing need has not altered from that set out within the SHMA and in light of that fact it is considered that additional consultation on the changes is not required.

This Supplementary Planning Document (SPD) and other background documents are available on the Council's website at:

www.hartlepool.gov.uk

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1.0 INTRODUCTION

- 1.1 The purpose of this Supplementary Planning Document (SPD) is to provide developers and other interested parties information and guidance concerning the local authority's approach towards securing planning obligations associated with development within the Borough.
- 1.2 The Local Authority will continue to use planning conditions as part of the planning application process to ensure that new developments in the town are well designed, attractive and will have a positive impact on the townscape of Hartlepool. New development however, often puts pressure on already over-stretched infrastructure and it is generally expected that developers will mitigate or compensate for the impact of their proposals by way of 'Planning Obligations'. These are usually concluded under section 106 of the Town & Country Planning Act 1990 (as amended) and are agreements between local planning authorities and developers (and the landowner where the developer does not own the land) that secure contributions (in cash or in kind) to address community and infrastructure needs associated with development.
- 1.3 The Council previously undertook consultation to ascertain which types of contribution needed to be covered within the SPD. A consultation draft was consulted on in 2009/10, but this was never adopted as a result of the introduction of the Community Infrastructure Levy (CIL) Regulations and the uncertainty that this created. It has become clearer recently that there is still a need for an adopted SPD which covers s106 agreements. This will enable any contributions deemed necessary as a result of the development to be secured. From April 2015 it will be used to determine the level of onsite contributions needed and will be used to pool more strategic contributions needed off site as a result of the development. The Council will clearly set out where the contribution is to be used to ensure there is a direct correlation between the contribution and the development. No more than 5 contributions from developments will be pooled towards the delivery of one specific infrastructure improvement (for example no more than 5 towards the improvement of Mill House swimming pool).
- 1.4 This SPD will help to ensure that developments make a positive contribution to sustainable development by providing social, economic and environmental benefits to the community as a whole.
- 1.5 This SPD is made up of two sections. Section One sets out the local authorities general principles with regards to Planning Obligations, and Section Two explains the thresholds and formulae used to calculate the levels of Planning Obligations that the local authority may wish to seek.
- 1.6 Once adopted, this SPD will be a material consideration in determining planning applications and if development proposals do not comply, the SPD may be used as a basis for the refusal of planning permission by the local authority. Section 106 Agreements have to be agreed and in place before planning permission can be granted. It is advised that any potential developer should contact the local authority at the earliest stages of the development process to discuss their proposal and establish whether there is likely to be a requirement for a Planning Obligations agreement.

2.0 PURPOSE OF SPD

- 2.1 This Supplementary Planning Document (SPD) has been prepared to set out comprehensively the local authority's approach, policies and procedures in respect of Planning Obligations. It aims to increase understanding and enable developers to take into account the potential costs of a proposed development at the earliest stage.
- 2.2 It is recognised that this SPD is being prepared at a time of market recovery following hard economic times and this is reflected in the levels of contributions that are required from developers and the flexibility that the SPD creates where viability may be an issue. The types of specific contributions which may be sought, the thresholds which will trigger the need for those contributions and the levels of contributions necessary have been set at realistic levels that will allow the delivery of these vital infrastructure improvements whilst still ensuring the viability of development in line with the guidance set out in the National Planning Policy Framework and Planning Practice Guidance.
- 2.3 The Local Authority will regularly review this SPD and should the economic climate improve the levels of contributions will be reassessed. If a developer feels that the levels of contribution requested make their development unviable they will be expected to submit a viability assessment of the scheme at validation stage (to avoid unnecessary delays), which will be assessed by the Council.
- 2.4 The Planning Obligations SPD will provide guidance on the requirements and mechanisms for contributions from development for infrastructure and other related provision. It will:
- provide greater clarity for developers and applicants;
 - speed up the processing of applications;
 - provide a clearer framework for assessing requirements and for calculating contributions;
 - play an important role in ensuring community and infrastructure needs are fulfilled as part of new development; and
 - Link to other relevant SPD's which give further information, for example the Green Infrastructure SPD and Action Plan.
- 2.5 The major areas that are expected to arise in considering development proposals are:
- Affordable Housing
 - Children's Play / Play Facilities
 - Playing pitches & Outdoor Sports Provision
 - Built Sport Facilities
 - Highway Infrastructure
 - Education provision
 - Community Facilities
 - Green Infrastructure
 - Training and Employment
 - Heritage
- 2.6 This list is not exhaustive, but illustrates some of the local authority's main priorities. However, in certain circumstances, other contributions may be sought towards issues such as housing market renewal, flood protection or renewable energy. Conversely, in certain circumstances, if it is illustrated that the development is providing a significant

regeneration benefit, such as the clearance of a problem building or renovation of a heritage asset, there may be an opportunity to reduce the developer contributions associated with that development, e.g. through the Vacant Building Credit.

3.0 STATUS OF SPD

- 3.1 The SPD expands on established national planning policies and also policies contained within the adopted Hartlepool Local Plan 2006, in particular GEP9 (Developer Contributions) and will support documents produced as part of the Local Development Framework. The guidance within this SPD will therefore be a material consideration in determining planning applications.
- 3.2 This SPD has been prepared in accordance with relevant national guidance set out in the National Planning Policy Framework (NPPF), National Planning Practice Guidance and the Community Infrastructure Levy Regulations 2010 (as amended). Hartlepool Borough Council is currently preparing a new Local Plan and consequently the Adopted Hartlepool Local Plan (2006) and its saved policies will be retained until it is replaced by the new Local Plan and any other Local Development Documents. It is anticipated that the emerging Local Plan will include specific Planning Obligations and Affordable Housing Policies.
- 3.3 On adoption, this SPD will have been approved by Regeneration Services Committee and formally presented to Full Council, the process of development included a formal consultation period of eight weeks.

4.0 NATIONAL POLICY

- 4.1 Planning Obligations are secured via legal agreements usually made under section 106 of the Town and Country Planning Act 1990 (as amended) usually in association with planning permissions for new development. They normally relate to any aspect of a development that cannot be controlled by imposing a planning condition. They can serve various purposes including:
- restricting the use of land
 - requiring specific operations to be carried out, in, on, under or over the land
 - requiring land to be used in a specific way
 - requiring a sum or sums to be paid to the Local Planning Authority on a specified date or dates, or periodically.
- 4.2 The legal tests for when you can use s106 agreements are set out in regulation 122 and 123 of the Community Infrastructure Levy Regulations 2010 as amended. The tests are:
1. necessary to make the development acceptable in planning terms;
 2. directly related to the development; and
 3. fairly and reasonably related in scale and kind to the development.
- 4.3 These tests replaced the five tests which were previously set out in Circular 5/05. As with Circular 5/05 pooling developer contributions from planning obligations in cases where individual developments will have some impact but not sufficient to justify the need for a discrete piece of infrastructure is permitted, however only 5 contributions can be pooled towards any discrete piece of infrastructure. Local authorities are still required to use formulae and standard charges as part of their framework for negotiating and securing planning obligations. This helps to speed up negotiations,

and ensure predictability, by indicating the likely size and type of some contributions in advance.

National Planning Policy Guidance (NPPF) March 2012

- 4.4 Planning Obligations are covered in paragraphs 203 to 205 of the NPPF, which highlights the tests identified at paragraph 4.2, and requires local authorities to take account of market conditions over time and to be sufficiently flexible to avoid development being stalled.

National Planning Practice Guidance (NPPG) March 2014

- 4.5 Planning obligations mitigate the impact of unacceptable development to make it acceptable in planning terms. Obligations should meet the tests as set out in the Community Infrastructure Levy 2010 Regulations and within the NPPF.
- 4.6 The NPPG states that policies for seeking obligations should be set out in a development plan document to enable fair and open testing of the policy at examination and that Supplementary Planning Documents should not be used to add **unnecessarily** to the financial burdens on development and should not be used to set rates or charges which have not been established through development plan policy. ***(Note: Hartlepool Borough Council have an adopted Planning Obligations Policy GEP9 which is saved. The requirements set out within this SPD have shown through viability testing to be deliverable on most schemes within Hartlepool over recent years. The requirements (with the exception of the Playing Pitches, Tennis Courts and Bowling Green contributions which were included following consultation with Sport England) within this SPD were tested at examination for the Hartlepool Local Plan in 2013, where the plan was found sound subject to modifications (which did not relate to the obligation requirements) but then subsequently withdrawn. It is considered the requirements made by the SPD have therefore been robustly tested and examined and are also flexible in viability terms).***
- 4.7 It goes on to state that planning obligations should not be sought – on for instance, public art – which are clearly not necessary to make a development acceptable in planning terms and notes that the Government is clear that obligations must be fully justified and evidenced. Where affordable housing contributions are being sought, obligations should not prevent development from going forward.
- 4.8 The Government currently places great emphasis on ensuring the viability and deliverability of development and the NPPG emphasises the need for contributions to be flexible and negotiable and to take into account site specific issues which may impact on delivery.
- 4.9 The NPPG goes on to state that policy for seeking obligations should be grounded in an understanding of development viability through the plan making process and that on individual schemes developers, where obligations are required, should submit scheme viability to be assessed, preferable through an open book process.
- 4.10 The NPPG also gives some guidance on the ability to renegotiate planning obligations where both parties are in agreement or by means of appeal. This may become necessary where obligations were secured in older applications and the schemes would not be viable in the current market with the delivery of the obligation.

- 4.11 The Government released additional Planning Practice Guidance on Planning Obligations in November 2014 and March 2015 to strengthen this position. Details of changes have been reflected in the SPD.

Community Infrastructure Levy

- 4.12 Through the 2010 CIL Regulations the Government introduced a new charge which Local Authorities in England and Wales are empowered, but not required, to charge on most types of new development. The Government feels that CIL will improve predictability and certainty for developers as to what they will be asked to contribute, will increase fairness by broadening the range of developments asked to contribute and will enable important sub-regional infrastructure to be funded. However since its introduction it has become evident that it is far more deliverable in areas around London and the southeast and that in other areas, given the current market conditions, CIL is proving to be unviable and undeliverable.
- 4.13 During the development of a new Local Plan the Local Authority will undertake some viability testing to determine whether or not it is going to be able to bring forward a CIL charging schedule or whether the Local Authority chooses not to use CIL and instead continues to use Planning Obligations.

5.0 REGIONAL POLICY

- 5.1 Following the revocation of the Regional Spatial Strategy for the North East, there is no longer a regional level of guidance and the Local Authority therefore relies on local and national policy and guidance.

6.0 LOCAL POLICY

- 6.1 The Local Authority needs a structured and transparent approach to obtaining contributions in the future.
- 6.2 Policy GEP9 (Developer Contributions) of the adopted Hartlepool Local Plan April 2006 is a saved policy which this SPD links to. It sets out where obligations will be used and the benefits that will be sought in furtherance of the Plan's strategy. Supplementary Note 8 on Developer Contributions supports policy GEP9 (this Note will be superseded by this SPD). Policy GEP9 states:

POLICY GEP9 - DEVELOPERS' CONTRIBUTIONS

"The Borough Council will seek contributions from developers for the provision of additional works deemed to be required as a result of the development. Contributions may be required for:

- ♦ Highway and infrastructure works,*
- ♦ Improvements to public transport and the pedestrian and cycleway network (see policy tra19),*
- ♦ The layout and maintenance of landscaping and woodland planting,*
- ♦ the layout and maintenance of open space and play facilities (see policy rec2),*
- ♦ The provision of neighbourhood parks (see policy rec3),*
- ♦ Works to enhance nature conservation features,*
- ♦ Additional measures for street cleansing and crime prevention (see policies com12 and rec13),*
- ♦ The acquisition and demolition of surplus housing stock and housing improvements in low demand housing areas (see policies hsg6 and hsg5),*
- ♦ The rationalisation of retail facilities, and*
- ♦ Any other community facilities deemed necessary by the local authority as a result of the development.*

Contributions may necessitate developers entering into legal agreements with the borough council."

- 6.3 Whilst Policy GEP9 does not specifically highlight a type of contribution, such as affordable housing, more recent evidence points to the need for such provision, these types of obligation may still be requested.
- 6.4 In Hartlepool, three Neighbourhood Plans are being developed by communities, these will set out planning policy at the community level, following adoption these will become part of the Local Development Framework. Where development sites are within a designated Neighbourhood Plan area, developers must have regard to policies set out in the relevant Neighbourhood Plan.

7.0 PRIORITIES

- 7.1 Planning Obligations will be negotiated on a site-by-site basis. The priority given to any particular type of Planning Obligation will be at the discretion of the Local Authority. It would not be possible to set out townwide priorities relating to development types in any sort of priority order as each development proposal will have different circumstances, whether they are physical, financial, environmental or social. Priorities may vary and will depend on a number of factors including local need as well as central government guidance and the current political agenda on both a national and local level.
- 7.2 Whilst each obligation will be negotiated on a site-by-site basis the local authority will have due regard for the priority theme areas within the Community Strategy along with other studies that have been undertaken such as the 2015 Open Space, Sport and Recreation Audit and Assessment, the 2014 Green Infrastructure SPD and Action Plan, the 2013 Indoor Sports Facilities Strategy, the 2012 Playing Pitch Strategy, the most up-to-date Early Years and School Infrastructure Plan and 2015 Hartlepool SHMA. The desires of the Community Strategy and the findings of these studies will help in guiding where the contributions will be spent.
- 7.3 There may be site-specific requirements other than those highlighted in this SPD that are flagged up whilst an application progresses and these should also need to be included in any planning agreement.

8.0 TYPES OF OBLIGATIONS AND THRESHOLDS

- 8.1 The thresholds for seeking planning contributions are set out in Table 1. These thresholds should be read as a guide for normal procedure and are set at practical levels that can be easily identified and measured. However each planning application will be judged on its own merits and in light of local concerns. There may be instances where obligations will be sought that are below the threshold level if the local authority feel that the impact the development will have justifies the need to require contributions.
- 8.2 Planning Obligations and thresholds are set out in Table 1 on page 13 of this document.
- 8.3 Planning Obligations will be sought on developments below these thresholds if the Local Authority feels that the site in question is part of a larger development site. When determining contributions, the Local Authority will look at the cumulative impact of a number of adjoining small developments. Developing sites incrementally or subdividing a site to avoid contributions will not be acceptable. Where it is likely that this

could occur the Local Authority would request a comprehensive masterplan to be developed for the area to ensure that the full potential and regeneration benefits of the site are realised. This includes cases where one site is divided between different developers, or is proposed to be developed in a phased manner.

- 8.4 This is to ensure that the necessary contributions are divided fairly between developers on the whole site and so that services and facilities, to meet overall needs, can be delivered in a comprehensive, rather than piecemeal fashion.

9.0 IN KIND CONTRIBUTIONS

- 9.1 The presumption will be that where there is a requirement for on-site improvement, the developer will provide facilities themselves. Where the Local Authority wishes to provide certain facilities themselves, developers will be required to donate the land free of charge, together with a financial contribution in lieu of the developer providing the facilities.

10.0 FINANCIAL CONTRIBUTIONS AND POOLING OF CONTRIBUTIONS

- 10.1 In cases where the level of contribution secured by the development is insufficient on its own to provide a facility e.g. a new play area, then a financial contribution will be paid to the Local Authority upon commencement of the development or at an agreed point of the development. This payment will be held in an account along with other similar contributions received. No more than 5 contributions will be pooled towards the provision of a distinct piece of infrastructure, such as a new play area or as a contribution towards maintenance of such a piece of infrastructure (see Section 15). The pool of money within this account will be used to pay for the implementation of schemes once there are sufficient funds. Any contributions that remain unspent at the end of the time period specified in the planning agreement may be repaid upon request by the developer.

11.0 EXISTING USES

- 11.1 For the majority of contributions that the Local Authority will be seeking the existing use of the site will be taken into account when determining the levels of contributions. For example, for residential developments, all contributions, with the exception of affordable housing, play and green infrastructure, will be based on the increase in population caused by the new development. If the new proposal will result in a lower population then no other contributions would be sought.
- 11.2 The exceptions to this rule are affordable housing, green infrastructure and play. As affordable housing is not a requirement that is linked to the demands of an increasing population, existing uses will not be taken into account. The level of affordable housing will be determined by the total number of dwellings proposed in the new development. It is also considered that the provision of play and green infrastructure in relation to new housing developments is critical to help to ensure a healthy and active population and as such contributions will be required in all new housing/residential schemes of 5 or more dwellings (15 or more for affordable housing contributions).

12.0 UNILATERAL UNDERTAKINGS

- 12.1 A Unilateral Undertaking is made where an applicant offers a planning obligation in support of a planning application or a planning appeal. Unilateral Undertakings bind the developer to their terms but not the Local Authority. When submitted in connection with an appeal, the appellant's solicitors normally draft the Undertaking, although the Local Authority will usually welcome an opportunity to discuss terms prior to submission to the Inspector.

13.0 INDEX LINKING

- 13.1 In large scale developments which will be delivered in a number of phases, it is likely that financial contributions will be paid in stages. Trigger dates for the payment of financial contributions will be written into the legal agreement.
- 13.2 In order to maintain the value of financial contributions between the date of the planning permission and the date that they are paid, the payments will be index linked in accordance with the All Items Retail Prices Index excluding Mortgage Interest Payments Index (RPIX) published by the Office for National Statistics (ONS), or such replacement index as agreed between the parties.
- 13.3 The Council will charge interest for the late payment of financial contributions. Any such liability will be written into the legal agreement so that developers are aware of the implications of late payment and agree to the terms when completing the agreement.

14.0 REVIEW OF BASELINE FIGURES

- 14.1 In order to ensure "best value" the Local Authority will regularly review all baseline figures used to calculate Planning Obligations. If any legislation or guidance upon which the strategy is based is subject to change, any such changes would be taken into consideration when reviewing this SPD.
- 14.2 Where evidence suggests a significant change to thresholds and the level of developer contributions, the Local Authority will review relevant sections of this SPD in line with formal adoption procedures; this will include consultation where appropriate.

15.0 MAINTENANCE COSTS

- 15.1 Where planning contributions are secured for facilities that are predominantly for the benefit of users of the associated development then it may be appropriate for the maintenance of these facilities to be contributed to by the developer. The length of maintenance contributions will be determined on a case by case basis and will take into account the viability of a development. Larger, mixed use developments which are introducing new infrastructure such as parks or green spaces will normally be required to make maintenance contributions to cover at least 20 years.

16.0 ECONOMICS OF PROVISION - VIABILITY

- 16.1 For those developments listed (Table 1), both residential and non-residential, the Local Authority expects the full relevant Planning Obligation requirements, as outlined in this document, to be taken into account when negotiating the price of the land. Applicants should engage in pre-application discussions with the Local Authority. In order for the Local Authority to consider reducing or waiving certain requirements, the developer must be able to show that there is abnormal development costs associated with the site that could not reasonably have been foreseen at the time the land was bought. In exceptional circumstances, for example where the site is found to be heavily contaminated, it may be possible to accept reduced Planning Obligations contributions in order to achieve an acceptable land use or development.
- 16.2 Viability assessments should be submitted to the Local Authority by the developer to demonstrate that planning obligation requirements affect the deliverability of proposals. Developers can submit viability assessments in their preferred format (this may include the HCA Viability Assessment Model).

17.0 LEGAL AND ADMIN COSTS

- 17.1 The lead responsibility of producing a section 106 Legal Agreement lies with the developer. Developers will be required to pay any legal/professional fees incurred by the Local Authority's in the preparation and completion of the section 106 agreement. Legal fees will be charged at the hourly rate of the officer completing the agreement.

18.0 DRAFTING OF AGREEMENTS

- 18.1 The developer will be expected to submit a draft section 106 legal agreement on submission of a planning application. The Local Authority has a standardised template which will be used where practicable that will enable agreements to be drawn up quickly so as not to slow down the planning process. The developer can use its own legal team to complete this or, the section 106 agreements can be drafted by the Local Authority's Legal Services Team or by Solicitors acting on the Local Authority's behalf. The Council's legal fees will be included in all legal agreements.

19.0 MONITORING

- 19.1 The Local Authority has an established process for monitoring and managing Section 106 Legal Agreements, including a database with details of all agreements and where those financial contributions have been / will be spent. The Local Authority will pro-actively pursue any late payments. There is an admin charge payable for this.

20.0 CONTACT DETAILS

- 20.1 Although this document sets out the types of contributions that will be sought, early contact with a member of the planning policy team will be advisable to discuss the likely obligations that may be sought on particular developments.

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TABLE 1: Planning Obligations SPD Thresholds and Levels of contribution

Land use	Contribution towards	Threshold (number of units)	Level of Contribution	Reference in SPD
Residential Development				
Affordable Housing / Housing Market Renewal		15 or more units	18%	Section 21 (page 12-18)
Built Sports facilities		5 or more units	£250 per dwelling	Section 23 (page 24-27)
Community Facilities - Education		5 or more units	Case by case	Section 26 (page 38-41)
Other Community Facilities		5 or more units	Case by case	Section 26 (page 38-41)
Green Infrastructure		5 or more units	£250 per dwelling	Section 24 (page 28-32)
Highway Infrastructure		Site-by-Site	Case by case	Section 25 (page 33-37)
Outdoor sport and play facilities - <i>Children's Play / Play Facilities</i>		5 or more units	£250 per dwelling	Section 22 (page 19-23)
Outdoor sport and play facilities - <i>Playing Pitches</i>		5 or more units	£233.29 per dwelling	Section 22 (page 19-23)
Outdoor sport and play facilities - <i>Tennis Courts</i>		5 or more units	£57.02 per dwelling	Section 22 (page 19-23)
Outdoor sport and play facilities - <i>Bowling Green</i>		5 or more units	£4.97 per dwelling	Section 22 (page 19-23)
Training and Employment		Over 10 units*	Case by case	Section 27 (page 42-43)
Travel Plan		Over 50 units	N/A	Section 25 (page 33-37)
Commercial Development				
A1 Retail - Shops (all other A use classes – case by case)	Green Infrastructure	500sq m (gross) or more of additional floorspace	£20,000 for initial 500sq m (gross). Contribution increases by £1,000 per additional 100sq m (gross) of floorspace	Section 24 (page 28-32)
	Highway Infrastructure		Case by case	Section 25 (page 33-37)
	Training and Employment		Case by case	Section 27 (page 42-43)
	Travel Plan		Case by case basis	Section 25 (page 33-37)
B1 Including Offices	Green Infrastructure	1000sq m (gross) or more of additional floorspace	£5,000 for initial 1000sq m (gross). Contribution increases by £1,000 per additional 100sq m (gross) of floorspace	Section 24 (page 28-32)
	Highway Infrastructure		Case by case	Section 25 (page 33-37)
	Training and Employment		Case by case	Section 27 (page 42-43)
	Travel Plan		Case by case basis	Section 25 (page 33-37)
C1 Hotels	Green Infrastructure	New hotels or extensions of 10 bedrooms or more to existing hotels (based on no. of bedrooms)	Case by case basis	Section 24 (page 28-32)
	Highway Infrastructure		Case by case	Section 25 (page 33-37)
	Training and Employment		Case by case	Section 27 (page 42-43)
	Travel Plan		Case by case basis	Section 25 (page 33-37)
D2 Including leisure	Green Infrastructure	1000sq m (gross) or more of additional floorspace	Case by case basis	Section 24 (page 28-32)
	Highway Infrastructure		Case by case	Section 25 (page 33-37)
	Training and Employment		Case by case	Section 27 (page 42-43)
	Travel Plan		Case by case basis	Section 25 (page 33-37)
Other	Case by Case basis	Case by case basis	Case by case basis	

NB. Levels of Contributions set in this SPD may be subject to change when evidence documentation is updated.

Part Two – Specific Contributions

21.0 Affordable Housing

21.1 Policy and Background Information

Various national, sub-regional and local policy documents as identified below and evidence base highlight the need for affordable housing in new developments. Some of the key documents which support the need for affordable housing are listed below.

National Planning Policy Framework (2012)

21.2 The principle aim of the NPPF is to drive forward sustainable development. In terms of housing it aims to boost significantly the supply of housing, both market and affordable. It requires local planning authorities to use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area where the developments are proposed and that they are consistent with other policies in the NPPF.

21.3 To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, the NPPF requires local planning authorities to:

- Plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
- Where they have identified that affordable housing is needed, set policies¹ for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.
- Determine planning applications in accordance with the Development Plan, unless material considerations indicate otherwise. It notes that the NPPF is a material consideration in decision making. (Bearing this in mind recent pieces of evidence base work, such as the 2015 Hartlepool Strategic Housing Market Assessment, which provide up to date evidence, are also considered material considerations in the determination of planning applications.)

¹ The emerging Local Plan will set policies on affordable housing. Counsel advice has advised that given there is an up-to-date evidence base in the form of the 2015 Hartlepool Strategic Housing Market Assessment affordable housing provision / contributions can be sought.

- 21.4 It also supports the identification and re-use of empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, the use of compulsory purchase powers to acquire the properties.

Evidence of Local Need

- 21.5 Until 2006 the need to provide affordable housing in new developments had not been an issue in Hartlepool as affordability had not been a problem given the relatively low cost of housing (compared with the national average), the existing supply of social housing and the variety of choice across the market. This is reflected within the Hartlepool Local Plan 2006 which does not have a specific policy on affordable housing provision. Subsequent changes in the housing market and detailed assessments of the sub-regional and local housing markets revealed increasing problems of affordability, which consequently increased the need for new affordable housing.
- 21.6 The 2012 Tees Valley Strategic Housing Market Assessment (TVSHMA) identified a growing and immediate need for the provision of new affordable housing and illustrated a significant annual need across the Tees Valley for affordable housing and within Hartlepool a need for 89 new affordable homes annually (for Hartlepool this equated to 27.5% annually) with the primary need being smaller 1 and 2 bedroom properties. It also highlighted the need for new bungalow provision across the borough. The study recommended a 70:30 split between social rented and intermediate tenure properties. The evidence provided within this document has enabled the Council to successfully secure the provision of affordable homes on schemes which have been approved in recent years.
- 21.7 The Hartlepool Strategic Housing Market Assessment (SHMA) 2015 provides an up-to-date position in terms of housing need and identifies the net imbalance in affordable housing as 144 per year. Set against the baseline for total housing need of 325 identified in the SHMA, this equates to 44%. However through the development of the emerging Local Plan, demolitions and backlogs will be examined which may result in revisions to this percentage.
- 21.8 In terms of a split between social rented and intermediate tenure properties, the 2015 SHMA details the same ratio as the 2012 Tees Valley document. Further detail on the type and tenure of housing need is outlined in the Hartlepool Strategic Housing Market Assessment (SHMA) 2015.
- 21.9 Evidence presents a clear need for affordable housing; however it is acknowledged that the level of 44% may have an impact on the viability of developments coming forward. Therefore an assessment of affordable housing economic viability assessment has been prepared to determine an affordable housing target. This comprehensive appraisal considered viability assessments for developments submitted over the last three years as well as making baseline assumptions regarding the following:
- Typical land values

- Typical development build costs
- Typical infrastructure costs for roads, utilities, open space etc.
- Typical other developer contributions sought including education, green infrastructure, play provision, highways etc.
- Typical development values
- Average Borough house values with regard to valuations
- Typical developer profit

21.10 Based on the evidence and further assessment undertaken (appendix 1), an affordable housing target of 18% has been set for all developments of 15 units or more.

Negotiating Affordable Housing

Threshold

21.11 Affordable housing will be required on all planning applications for residential development that consist of a gross addition of 15 dwellings or more, including renewal of lapsed unimplemented planning permissions, changes of use and conversions.

21.12 Given the level of identified need and the limited opportunities for securing affordable housing provision in the Borough, planning permission will not be granted for residential applications that meet or exceed the gross additional thresholds and do not include any on-site affordable housing or off-site provision, unless they illustrate the regeneration benefits noted in paragraph 2.6.

21.13 The Council will be alert to the sub-division of sites or phasing of development as an attempt to avoid providing an affordable housing requirement. Therefore, for the purposes of establishing the affordable housing requirement, planning applications will be viewed as any composite or naturally defined larger area, whether or not subject to phased development and regardless of ownership. If development is proposed in phases, later phases may be required to fulfil affordable housing requirements from previous phases, where it has not already been adequately provided.

Level of Contribution

21.14 As there is an overall identified affordable housing need for 44%, an affordable housing target of 18% will be required on all sites above the minimum threshold. Where viability evidence is submitted to illustrate that this target is not achievable, a lower percentage may be agreed through the Council assessing the development through its viability testing model.

Where Affordable Housing is Provided

21.15 Generally all affordable housing will be delivered through on-site provision. Only in exceptional circumstances will it be acceptable for provision to be made off-site. Applicants will need to provide sound, robust evidence why the affordable housing cannot be incorporated on-site and show how off-site provision or commuted sums will contribute

to the creation of sustainable mixed communities elsewhere in the Borough.

- 21.16 The delivery emphasis of affordable housing will be very strongly favoured to provide on-site provision as there is a short supply of available development land within the urban area of Hartlepool to cater for off-site developments. In the unlikely event that a developer is proposing the provision of affordable housing off-site, there should be early discussions with the Council to identify a suitable site or sites.
- 21.17 In the unlikely event that off-site provision is agreed, similar to the on-site provision; the timing of off-site provision will be related to the completion of numbers of properties on the associated general market housing site. The general approach will be to secure completion of the affordable homes proportionally to the general market housing, unless the timing is otherwise agreed with the Council. In this situation affordable housing contributions may directly relate to the Local Authority's build provision of affordable housing and registered providers.
- 21.18 Where an off-site provision is agreed to be acceptable, the level of contribution will be calculated by deducting the transfer price of the unit from its open market value (OMV).

Example of Financial Contribution:

The off site contribution is calculated as follows: **(a) + (b) = (c)**

Where:

(a) = How much a registered provider can secure in finance. This equates to 60% of the market value on an on-site affordable dwelling.

(b) = Gap funding contribution from the developer. This equates to 40% of the market value on an on-site affordable dwelling.

(c) = Borough wide average cost of a home within the borough of Hartlepool.

The following scenario illustrates how a 100 dwelling development could contribute to an off-site commuted sum.

Development Consideration	Amount
Total dwellings on the site	100
Affordable Requirement	18%
Affordable units	18 units
Borough wide average cost of a home.	£133,902.89*

Using the above (a) + (b) = (c) equation the following is acceptable:

(a) Register Provider finance (60% of market value) = £80,341.73

(b) Developer Contribution (40% of market value) = £53,561.16

(a) £80,341.73 + (b) £53,561.16 = (c) £133,902.89

The developer is required to provide 18 units, therefore:

Theoretical Off Site Commuted Sum = 18 x £53,561.16 = **£964,100.88**

* Average house price information compiled from Land Registry data. All sales in district of Hartlepool between 1st April 2014 – 31st March 2015. This figure will be updated annually.

Type and Tenure

- 21.19 Developers will be expected to achieve an aspirational target of 70% social rented or affordable rented and 30% intermediate tenure mix on each site. Housing type and tenure split will be negotiated on a site-by-site basis, having regard to the most up-to-date evidence of need, mix of tenures of existing housing nearby, the desire to create balanced communities and the constraints and requirements of providing on-site provision.
- 21.20 The aspirational tenure split of 70% social rented or affordable rented and 30% intermediate affordable housing is considered most appropriate to meet Hartlepool's strategic housing aims and the identified housing need within the town. This is based on the robust 2015 Hartlepool Strategic Housing Market Assessment evidence and recent evidence from the Council's housing waiting list. The need is compounded by the reduction of social rented stock through the 'Right to Buy' scheme.
- 21.21 Bearing in mind the aspirational target, the Council recognises that negotiation on a site-by-site basis would be the best approach; ensuring that nearby housing is taken into consideration in the desire to create sustainable balanced and mixed communities. Where a developer is proposing a target that deviates from the 70/30 split, there should be early discussions with the Council to ensure an appropriate target is achieved.

Future Management of Affordable Housing

- 21.22 All affordable units should be delivered in partnership with a Registered Provider by means of a section 106 legal agreement, with appropriate provision to secure the retention of the properties as affordable units in perpetuity. The terms of sale from the developer to the Registered Provider must be suitable to meet these requirements.
- 21.23 The Council regards partnership delivery with a Registered Provider (RP) as the preferred means of securing affordable housing, tied in by means of a section 106 legal agreement to which the RP will be party. This applies to all the forms of affordable housing. (Again the Local Authority must be approached by the developer when consideration is being given to which RP is to be involved).
- 21.24 Where a developer is proposing providing affordable housing involving an RP, there should be early discussions with the Council to draft the Section 106 Legal Agreement.

Design and Specification of Affordable Housing

- 21.25 The Council promotes the development of energy efficient housing. It is important not only to minimise the running costs of a home to the occupier but also to reduce carbon emissions. It is expected that all affordable properties will achieve high levels of energy efficiency in line with the Governments Zero Carbon Policy, affordable homes in

particular should seek to address energy efficiency even more so and it is often the case that if homes are Homes and Communities Agency (HCA) funded they are required to meet a higher energy efficiency level. Amendments to the building regulations are expected in 2015, the Council may seek to use the provisions in the new legislation to set its own bespoke energy efficiency standards but in the meantime the Council expect developers to demonstrate how they meet with the requirements of NPPF paragraph 96 and use of the Code for Sustainable Homes is one method that will be supported².

- 21.26 In respect of affordable homes which are receiving funding from the HCA, these properties would be expected to meet the design standards set out within the HCA Design and Quality Standards in April 2007 or any subsequent standards that amend or replace those standards.
- 21.27 The Council will expect applicants to ensure that the affordable properties are integrated into the overall development, in terms of their built form and external appearance, so that they are indistinguishable from the other properties on the site. Affordable properties should not be marked out by being of poorer design, specification and quality of finish than neighbouring properties. It is recommended that the skills and experience of RP's be employed at an early stage in the design process to ensure that the future management of the affordable housing units is fully considered.

Pepper Potting of Affordable Housing

- 21.28 The Council supports the development of sustainable mixed and balanced communities. In order to avoid the negative implications of social exclusion and isolation, affordable homes within housing schemes should be evenly distributed across the site (which is known as pepper potting) and not disproportionately allocated to the periphery or in one particular area. The Council will normally require affordable homes to be grouped together in clusters of no more than 5 properties.
- 21.29 In apartment and flat developments the Council requires pepper potting to be maintained. However it is recognised that other issues may impact upon the distribution of affordable units in apartment blocks, including difficulties in their management and financial concerns regarding levels of service charges. The benefits of this will be weighed against the scope to achieve a better degree of pepper potting. The level of pepper potting on apartment schemes will be negotiated on a site-by-site basis.
- 21.30 The Council expects the location of the affordable housing will be discussed and agreed at an early stage in conjunction with the appointed RP. At Reserved Matters application it will be necessary for the developer to liaise with a Registered Provider and to identify the location of the affordable properties on the final plan. The final location must be agreed before development commences.

² The relevant guidance will be applied, following the amendments to the Building Regulations for energy efficiency.

Accessibility

- 21.31 The Council expect developers to have regard to the changing needs of residents over time, in ensuring that homes are easily adaptable, residents know that they are likely to be able to reside in their home if they become less able bodied. If easily adaptable then costs are kept to a minimum. The Lifetime Homes Standards are likely to be phased out; however they are still a useful tool in delivering adaptable homes and the principles are supported by the Council.

Affordability and Service Charges

- 21.32 Although the emphasis in determining affordability is primarily focussed on rent or purchase price, it is the total cost of occupation that ultimately determines affordability. Some residential developments have high levels of service charges, and this has an impact upon the relative affordability of the accommodation. Such potentially significant additional costs may result in affordable housing extending beyond the financial reach of those in housing need. It is therefore anticipated that the cost of service charges will be minimised. The proposed level of service charges will form part of pre-application discussions.

Funding for Affordable Housing

- 21.33 The Homes and Communities Agency (HCA) has historically been the main provider of public funding for affordable housing, however in recent years this ability to fund schemes has diminished significantly due to the national economic crisis. Their approach is that affordable housing on Planning Obligation sites should be delivered without the input of grant. If grant were to be considered on a site, their objective would be to ensure that the site delivers more affordable housing or a different mix or higher standards, than would have been possible without grant. If funding becomes available the HCA will assess the 'additionality' offered by a scheme in making a decision regarding potential funding. Developers should therefore assume that no grant will be available to fund the affordable housing, unless an agreement has been made with the HCA. Before the HCA is approached developers must ensure that the Local Authority will support a bid to the HCA for grant funding.

Transfer Prices

- 21.34 The Council will seek to negotiate, on a site-by-site basis, transfer prices as these are likely to fluctuate depending on housing market and site conditions.

Future Policy Changes

- 21.35 The Local Authority will ensure that evidence is kept up-to-date and will include a Policy within the emerging Local Plan on affordable housing.
- 21.36 If new evidence changes the levels or mix of affordable housing required, the new evidence will supersede the requirements set out within this SPD until such a time as this SPD is refreshed to reflect the changes.

22.0 Outdoor Sport and Play Facilities

- 22.1 The Government's commitment to Parks and Open Spaces³ has evolved significantly in recent years. They are among the community's most valued features. Well managed open spaces not only make an area more attractive but they also contribute towards sustainable development through creating places in which people want to invest and locate, the promotion of healthier lifestyles, urban renaissance, social inclusion and community cohesion.

National Policy Background

National Planning Policy Framework (2012)

- 22.2 Recognises how open space including parks and sports fields plays a vital role in the delivery of sustainable development. It states "access to high quality open spaces and opportunities for sport and recreation can make an important contribution to the health and well-being of communities."
- 22.3 In order to do this it requires that "planning policies should be based on robust and up-to-date assessments of the needs for open space, sports and recreation facilities and opportunities for new provision. The assessments should identify specific needs and quantitative or qualitative deficits or surpluses of open space, sports and recreational facilities in the local area. Information gained from the assessments should be used to determine what open space, sports and recreational provision is required."
- 22.4 It also recognises the vital importance of existing provision and the need to protect these spaces and facilities in the future, stating "existing open space, sports and recreational buildings and land, including playing fields, should not be built on unless:
- an assessment has been undertaken which has clearly shown the open space, buildings or land to be surplus to requirements; or
 - the loss resulting from the proposed development would be replaced by equivalent or better provision in terms of quantity and quality in a suitable location; or
 - the development is for alternative sports and recreational provision, the needs for which clearly outweigh the loss."

Local Policy Background

Hartlepool Local Plan (Adopted 2006)

- 22.5 There are a number of policies within the Local Plan that support the delivery of open space, leisure and play facilities as part of new developments in the town. Policy GEP9 (Developer Contributions)

³ This does not cover Green Infrastructure or Built Sports Facilities which are dealt with separately within the following two chapters.

highlights that the local authority will seek contributions from developers for the provision of additional works deemed to be required as a result of the development towards “the layout and maintenance of open space and play facilities” and also for “the provision of neighbourhood parks.”

- 22.6 Policy Rec2 (Provision for play in new housing areas), Policy Rec3 (Neighbourhood Parks), Policy Rec4 (Protection of Outdoor Playing Space) and Hsg9 (New Residential Layout – Design and other Requirements) all indicate that developer contributions may be needed towards the provision of play and leisure space in the town.
- 22.7 Policy GN2 is also especially critical in protecting against the loss of open space as a result of developments in the town. The policy sets circumstances where the loss of open space to facilitate a development may be permitted but goes on to stipulate that an adjacent site should be enhanced or compensatory open space must be provided on an alternative site, which is in line with national guidance outlined in the NPPF.

Open Space, Sport and Recreation Audit and Assessment (2008 & 2015)

- 22.8 As part of the evidence base for the development of the Local Development Framework Hartlepool Borough Council undertook a PPG17 Assessment which was concluded in April 2008. A new Open Space, Sport and Recreation Audit and Assessment was endorsed in January 2015 to update the evidence base supporting the Local Plan. The specific objectives of the new assessment, reflecting those of the previous assessment, are to:
- provide information about existing community needs and aspirations;
 - analyse how these results vary according to the different demographic characteristics of different groups and communities within Hartlepool;
 - research standards of provision; and
 - develop a set of appropriate standards for Hartlepool.
- 22.9 The types of Open Space that were assessed as part of the study include:
- Urban parks and gardens
 - Amenity greenspace
 - Play areas
 - Outdoor sport facilities (including schools where there is public access either formally or informally)
 - Green corridors
 - Natural and semi natural greenspaces
 - Allotments
 - Churchyards and cemeteries
 - Common land
 - Civic spaces

- 22.10 The Open Space, Sport and Recreation Audit and Assessment 2015 can be viewed at;
http://www.hartlepool.gov.uk/downloads/file/12169/open_space_sport_and_recreation_assessment-january_2015
It sets out the standards that have been endorsed for different types of open space within Hartlepool.

Hartlepool Playing Pitch Strategy (PPS) (2012)

- 22.11 In December 2012 Hartlepool Borough Council adopted a new Playing Pitch Strategy which was developed with the support of Sport England. The PPS guides the delivery of playing fields and outdoor sports facilities and to inform decision making in relation to pitch provision. It sets out the key issues and priorities for facilities for football, cricket, rugby union, rugby league, hockey, tennis and bowls across Hartlepool and identifies specific actions, timescales and responsibilities for implementation and delivery.

Thresholds

- 22.12 Given the importance of outdoor sport and play facilities in creating a town in which people are healthy and active and have a range and choice of high quality activities in which they can partake, the threshold for contributions towards this for residential developments is 5 or more dwellings.
- 22.13 This threshold has been reached following an assessment of potential housing sites which may come forward in the future in the Borough and taking into account the yields which would be expected from each site. Given that all housing will have an impact on the need for play space within the town, and taking into account the cumulative impact of the developments which are likely to be delivered in the coming years it is necessary to set the threshold at this level so that play facilities within the Borough provide high quality play space which adequately meets the needs of the current and expected future population.

Amount and Location of Provision

- 22.14 The amount and location of the provision of outdoor sport and play facilities will vary from site to site. The Local Authority will always require a contribution towards play provision on all residential developments of 5 or more dwellings. Larger sites of more than 100 homes will be expected to incorporate on site provision. On smaller sites this contribution will be towards off site facilities in the vicinity of the development. The developer should liaise with the Local Authority to ensure that the quality and layout of play facilities meets the requirements of the Local Authority.
- 22.15 Developments (as identified in the table 3 below) which bring together large numbers of people will be required to make a contribution towards play facilities and outdoor sports facilities in the vicinity of the development. The Open Space, Sport & Recreation Assessment 2015 and the 2012 Playing Pitch Strategy will be used to identify where the financial contribution should be spent.

Table 3 – level of Contributions Outdoor Sport and Play Facilities

Type of development	Planning Obligation	Level of Contribution
Residential	Play Facilities	£250 per unit (where development exceeds 100units onsite provision required.)
Residential	Playing Pitches	£233.29 per unit
Residential	Tennis Courts	£57.02 per unit
Residential	Bowling Greens	£4.97 per unit

22.17 The levels of contribution outlined in the table are based on standards in relation to Outdoor Sport set out within the Hartlepool Playing Pitch Strategy (2012):

- Playing Pitches 0.9 Hectares per 1000 population.
- Tennis Courts is 0.02 hectares per 1000 population.
- Bowling Greens is 0.03 hectares per 1000 population.

22.18 Calculations have been made using Sport England's facility's cost information available at;
<http://www.sportengland.org/media/198443/facility-costs-4q13.pdf>. In exceptional circumstances given the nature of the development (e.g. one person units) the level of contributions may be split to household composition to be developed.

22.19 The playing pitch standard is 9000sq.m per 1000 population which equates to 9sq.m per person. Cost per square metre for constructing varying sizes of football pitches, and rugby pitches has been averaged, and it equates to £11.27 per sq.m.
 Therefore the cost per person of Hartlepool's playing pitch standard is $£11.27 \times 9 = £101.43$
 Based on an average household of 2.3 persons⁴ this is **£233.29** per unit / household.

22.20 The tennis court standard is 200 sq.m per 1000 population which equates to 0.2sq.m per person. The costs for tennis courts including floodlighting is £123.94 per sq.m.
 Therefore the cost per head of Hartlepool's tennis court standard is $£123.94 \times 0.2 = £24.79$
 Based on an average household of 2.3 persons this is **£57.02** per unit / household.

22.21 The bowling green standard is 30sq.m per 1000, which equates to 0.03sq.m per person. The cost of a bowling green (flat or crown green) works out at £71.86 per sq.m.
 Therefore the cost per head of the standard is therefore $£71.86 \times 0.03 = £2.16$.
 Based on an average household of 2.3 persons this is **£4.97** per unit / household.

⁴ Tees Valley Unlimited - the average household size is the resident household population divided by the number of occupied households. Tees Valley figures are Mid Year; England & Wales figure for 2011 is Census day.

Maintenance of facilities

- 22.22 Where the developer makes a payment for off-site play or outdoor sports facilities, they will also be expected to pay a commuted sum for the maintenance of the facility for a 20 year period from the point at which the facility is completed. Where the developer is not the sole contributor towards the overall cost of a facility, there will be an apportionment of the maintenance cost based on the percentage of its contribution towards the overall cost of the facility.
- 22.23 Discussions with the appropriate department within the Local Authority will be necessary at the application stage to determine the level of maintenance contribution that is necessary towards the upkeep of the facility.

Timescale for contributions to be paid to and held by Local Authority

- 22.24 All developer contributions should be paid to the Local Authority on commencement of the development. The contributions will be paid into an account by the Local Authority.
- 22.25 In exceptional circumstance in large-scale development, it may be appropriate that payments or provision would be phased in order to meet the proportional impact of each phase. Trigger points for payments or provision will be included in the legal agreement, as will the period in which any contribution will have to be spent.

23.0 Built Sports Facilities

- 23.1 The provision of local sports facilities is essential to the health and well being of the population. Where new development occurs it is vital that sufficient sports provision is made to encourage residents to lead active lifestyles.
- 23.2 Hartlepool has a lack of sports facilities suitable for the higher levels of performance sport so talented athletes invariably need to travel to other towns where facilities meet their needs. Current facilities are not capable of staging or supporting major sporting events. Many of the local sports facilities are low quality and there is an urgent need for investment to modernise, improve and expand facilities.

National Policy Background

- 23.3 There are numerous national policies aimed at improving the quality and provision of sporting facilities across the country. One of Sport England's priorities is to use the success and national pride that was created by the 2012 London Olympics and people's passions for sport to encourage a more active and sporting nation.
- 23.4 Almost all of the national policies recognise the importance and significance of sport and education in meeting a number of different agenda, including:
- Increasing participation in physical activity
 - Reducing obesity, particularly amongst children and young people
 - Economic regeneration
 - Increasing access and targeting under-represented groups.

National Planning Policy Framework (2012)

- 23.5 The NPPF promotes the use of shared facilities included sport facilities and advises local authorities to plan positively for them and to guard against their loss, particularly where this would reduce the community's ability to meet their day to day needs. It also identifies the need for local assessments of facilities to identify any qualitative or quantitative issues that need to be addressed, thus helping to ensure adequate provision is made to meet the needs of the community.

Assessing Needs and Opportunities Guidance (Sport England) (2013)

- 23.6 Sport England has consulted on this piece of draft guidance which focuses on the practicalities of producing a clear and robust assessment to help develop and apply local planning policy. The guide will therefore assist Local Authorities with meeting the requirements of the National Planning Policy Framework (paragraph 73) and will ensure that built sports facilities meet the needs and aspirations of the communities that use them.

Local Policy Background

Hartlepool Local Plan (Adopted 2006)

- 23.7 The Hartlepool Local Plan recognises the need for sports and leisure facilities which will attract large numbers of visitors to locate in sustainable locations in line with national guidance. As such policy Rec14 (Major Leisure Developments) sets out a sequential approach that should be followed in locating major new sports and leisure facilities within the town.

Indoor Leisure Facility Strategy (2013)

- 23.8 In 2013 the Local Authority appointed consultants to undertake a refresh of the indoor leisure facilities strategy which was carried out previously by consultants in 2007. It looks at the provision of sports halls, swimming pools, and other indoor leisure activities within the town. It recognises that the development and/or refurbishment of sporting and other cultural facilities in Hartlepool could contribute significantly to the achievement of priorities in terms of addressing Government aims to achieve higher levels of activity in the population.

- 23.9 The strategy had 4 specific objectives:

- To provide a firm foundation upon which policy decisions and funding for future development can be based;
- To support initiatives by voluntary and private sector groups to develop new or improved indoor sports facilities for the Borough that meets broader strategic aims;
- To develop and maximise the opportunities for school and community sport through educational facilities; and
- To improve the quality and provision of the Council's indoor sports facilities to meet the expectations of local residents.

- 23.10 The consultants were also asked to look at asset management issues and options including the development of new facilities, the re-development of existing facilities and the closure or disposal of facilities.

- 23.11 There are a number of significant findings, conclusions and recommendations which the report identifies, they are:

- The current position regarding facilities is not sustainable in the long-term as many key sites are beyond their economic life – in particular, the school swimming pools are life expired.
- The newer facilities at the Headland and Brierton are key facilities in terms of the Borough's provision now and longer-term into the future.
- The strategy recommends that a new Borough leisure centre facility is constructed to replace the existing provision at Mill House. Ideally this should be done in such a way that the swimming facilities in particular remain in operation until such time as this opens. The capital cost is estimated to be in the region of £16m or at a significantly reduced cost if new pool

facilities were constructed alongside the present dry facilities at the Mill House site. A further assessment of this would be required.

- Highlights the potential for a new pool at Brierton Sports Centre at a capital cost estimated to be in the region of £5m.
- In order to ensure access to a pool facility on the North West of the Borough, the pool at High Tunstall should be retained. This will require refurbishment works (estimated minimum £250k). The alternative would be to construct a replacement pool estimated at £3.5m.
- The redevelopment and/or refurbishment of the school/college sports halls serves to consolidate the service provision to the town's residents but additional investment may be required to provide separate entrances, reception areas etc.
- The Council has a role to ensure that educational facilities are developed, managed and operated in a consistent manner and in accord with industry and legislative standards.
- The current provision of sports halls is well over what is required if the parameters of the facilities planning model (FPM) are to be adopted but current programmes of use demonstrate that there is actual demand for more than the minimum suggested.
- Whilst not eligible to be included as part of Sport England's Facility Planning model, Belle Vue Community, Sports and Youth Centre plays an important part in the overall provision of the town's facilities.
- The strategy would provide a good range of indoor multi-purpose sports facilities but in order to maximise their value in the development of sport and physical activity, it will be important to ensure the delivery of an enhanced and coordinated programme of participation opportunities, both targeted at specific user groups and available to the general resident and visitor population.
- The Council will need to consider and explore the financial options open to it in terms of the delivery of the Strategy. This may also ultimately mean considering alternative management arrangements for the facilities in order to provide the capital investment required rather than continuing the management under the current in-house arrangement.

23.12 It is clear that even without further growth of the town, significant investment is needed in the built leisure facilities around the town. It is therefore reasonable to expect that new development which will further add to the strain on these facilities contributes towards the improvement and where necessary re-provision or new provision of facilities. The Council will seek other sources of grant funding and private investment which will be used alongside any developer contributions to meet the needs of the town. The Council will use the findings and recommendations of the study to direct developer contributions for built sport facilities to the most appropriate location in relation to a development.

Thresholds

- 23.13 Given the importance of indoor sports facilities (both wet and dry) in creating a town in which people are healthy and active and have a range and choice of high quality activities in which they can partake, it is considered that all new developments of 5 or more dwellings should contribute towards built sports facilities within the town.

Levels and Location of Provision

- 23.14 In order to comply with CIL Regulations outlining only 5 developer contributions can be pooled towards one discrete element of infrastructure; developers will be informed at application stage where their contribution is being directed. It is likely that contributions from major strategic developments will be put towards the Mill House Leisure Centre renewal or replacement.

Table 4 – Level of Contribution for Built Sports Facilities

Type	Level of Contribution
Residential	£250 per unit towards new or improved built sports facilities

Maintenance of facilities

- 23.15 Given the scale of the major indoor leisure facilities, and taking into account development viability, no maintenance costs will be required from developers towards the upkeep of the facility.

Timescale for contributions to be held by Local Authority

- 23.16 All developer contributions will be paid to the Council on commencement of the development. The contributions will be paid into an account by the Local Authority. This pot of money will be used towards the delivery of built sports facilities in the town.
- 23.17 In exceptional circumstance in large-scale development, it may be appropriate that payments or provision would be phased in order to meet the proportional impact of each phase. Trigger points for payments or provision will be included in the legal agreement, as will the period in which any contribution will have to be spent.

24.0 Green Infrastructure

- 24.1 Green infrastructure is defined as:
"The physical environment within and between our cities, towns and villages. It is a network of multi-functional open spaces, including formal parks, gardens, woodlands, green corridors, waterways, street trees and open countryside. It comprises all environmental resources, and thus a green infrastructure approach also contributes towards sustainable resource management".⁵
- 24.2 Green infrastructure planning involves the provision of strategically planned networks that link existing (and proposed) green spaces with green corridors running through urban, suburban, urban fringe, and rural areas. Through the maintenance, enhancement and extension of these networks multi-functional benefits can be realised for local communities, businesses, visitors and the environment.
- 24.3 Green infrastructure offers opportunity for the accommodation of Sustainable Drainage Systems (SuDs) and flood alleviation schemes where inclusion of such provision is required.

National Policy Background

National Planning Policy Framework

- 24.4 The NPPF notes the importance of green infrastructure and describes it as a *"network of multi-functional green space, urban and rural, which is capable of delivering a wide range of environmental and quality of life benefits for local communities."* It notes that Green Infrastructure can be used as an adaption measure in areas of risk in terms of issues such as flooding. It goes on to state that in the preparation of plans local authorities should *"set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure."*

National Planning Policy Guidance (2014)

- 24.5 This guidance contains a significant amount of information on the importance of biodiversity, ecosystems and green infrastructure and sets out helpfully the law regarding its protection such as Section 40 of the Natural Environment and Rural Communities Act 2006 which places a duty on all local authorities, in the exercise of their functions, to the purpose of conserving biodiversity. Key documents such as the Natural Environment White Paper are also discussed which provides important details on ecologic networks.
- 24.6 The NPPG also provides guidance on elements of green infrastructure such as Local Sites and Nature Improvement Areas, Ancient Woodland

⁵ Green Infrastructure Planning Guide; Northumbria University, North East Community Forests, University of Newcastle upon Tyne, Countryside Agency, English Nature, Forestry Commission, Groundwork, 2005

and Veteran Trees and provides guidance on how it should be considered in the preparation of a planning application. It notes that sufficient green infrastructure should be designed into a development to make the proposal sustainable. If this green infrastructure helps to mitigate any significant harm to biodiversity (among other benefits) then this should be taken into account in deciding whether compensation may also be needed.

- 24.7 The NPPG also notes how planning conditions and obligations can be used to ensure that mitigation or compensatory measures, such as a biodiversity offsetting scheme are secured.

Biodiversity 2020: A Strategy for England's Wildlife and Ecosystem Services

- 24.8 This document highlights England's strategic direction in terms of biodiversity up to 2020. Biodiversity is key to the survival of life on Earth. Its loss deprives future generations of irreplaceable genetic information and compromises sustainability. It notes that the recent National Ecosystem Assessment also shows just how much nature provides for us in this country. For example, the enormous value of inland wetlands to water quality, the value of pollination to agriculture, the health benefits of experiencing nature and, not least, how nature and wildlife enrich all our lives. All of these are elements of green infrastructure and illustrate its importance in sustainable development.

Natural Environment White Paper: The Natural Choice; Securing the Value of Nature (2011)

- 24.9 The white paper places the value of nature at the centre of the choices our nation must make: to enhance our environment, economic growth and personal wellbeing. By properly valuing nature today, we can safeguard the natural areas that we all cherish and from which we derive vital services.
- 24.10 It notes that *"Economic growth and the natural environment are mutually compatible. Sustainable economic growth relies on services provided by the natural environment, often referred to as 'ecosystem services'. Some of these are provided directly, such as food, timber and energy. Others are indirect, such as climate regulation, water purification and the productivity of soil."* One of the key actions of the White Paper is to establish a Green Infrastructure Partnership with civil society to support the development of green infrastructure in England.

Sub Regional Policy Background

Tees Valley Green Infrastructure Strategy (2008)

- 24.11 One of the greatest challenges facing the Tees Valley is to create attractive places and an environment that offers a quality of life that will encourage people to stay and will attract new investment and entrepreneurs.

24.12 Green infrastructure can play a key role in helping to achieve the economic and sustainable vision for the Tees Valley. The scale of development and regeneration envisaged requires a new way of looking at the environment, and in particular how new development and redevelopment can contribute to environmental quality.

24.13 The green infrastructure concept offers a way of viewing open space provision as a resource that should be planned strategically and delivered in an integrated way across regions and sub-regions. The vision for green infrastructure in the Tees Valley is:

“To develop by 2021 a network of green corridors and green spaces in the Tees Valley that:

- Enhances the quality of place and environment for existing and future communities and potential investors;*
- Provides an enhanced environmental setting and context for new development, regeneration projects, and housing market renewal initiatives and produces schemes of high quality design;*
- Creates and extends opportunities for access, recreation and enhancement of biodiversity, and*
- Provides a buffer against the effects of climate change.”*

Tees Valley Biodiversity Action Plan

24.14 The Tees Valley BAP was produced in 1999 and consists of a series of Species and Habitat Action Plans setting out the current status, targets for protection and enhancement plus the actions to be taken by each partner organisation. It is carried out by the Tees Valley Biodiversity Partnership, which is a partnership of local organisations and people working together to benefit our wildlife. This document takes the objectives and targets of the UK Biodiversity Action Plan and translates and amplifies them into a Tees Valley context. Focusing on the most significant elements of the Tees Valley's environment, it sets out the actions needed to achieve those objectives and targets.

Hartlepool Local Plan (2006)

24.15 Although there are no specific references to the term “green infrastructure” within the Local Plan, many of the policies within the plan are aimed at ensuring that the environmental assets of the Borough are all safeguarded and enhanced where possible. These include the coastline and its environs (WL3), the Green Network (Policies GN1 and GN3), open spaces (Policy GN6), natural environments (Policy Rec8, Rec10, WL2, WL5 & WL7) green wedges (Policy GN2), parks (Policy Rec3), recreational routes (Policy Rec9) and the rural hinterland (Policies Rur1 and Rur7). Policy GEP 9 (Developer Contributions) also highlights those contributions that the Local Authority may seek where deemed to be necessary as a result of the development. Contributions towards landscaping and woodland planting, open space, neighbourhood parks and nature conservation features are all included in this policy and are seen as important elements of green infrastructure.

Hartlepool Green Infrastructure SPD and Action Plan (2014)

- 24.16 These documents form part of the Local Development Framework and will be used in the determination of planning applications and also to ensure that the Borough's green spaces are not only protected but enhanced for the benefit of all. Where planning contributions are secured towards green infrastructure as part of a planning application the SPD and Action Plan will be used to direct the contribution to the most appropriate scheme in relation to the application.

Thresholds

- 24.17 Given the importance of green infrastructure in creating a town and region in which people want to live and work and businesses want to invest in, the threshold for contributions towards green infrastructure for residential developments is 5 or more dwellings. Other types of developments may be expected to contribute towards this initiative as it is seen as critical in ensuring the town develops in a sustainable way in the future.

Level of Contribution

- 24.18 Given the importance that is placed on green infrastructure both at a national and regional level, the Local Authority will require all types of developments indicated in Table 5 below to contribute. This level of contribution has been illustrated to be viable (via viability testing) on schemes within Hartlepool over recent years.

Table 5 – Level of Contribution for Green Infrastructure

Type	Level of Contribution
Residential	£250 per dwelling
Commercial:	
A1 Food Retail/Non Food Retail	£20,000 Threshold of 500sq m (gross). Contribution increases by £1,000 per additional 100sq m (gross) of floorspace
B1 Including Offices	£5,000 Threshold of 1000sq m (gross). Contribution increases by £1,000 per additional 100sq m (gross) of floorspace
Other	Case-by-Case basis

- 24.19 All developer contributions will be paid to the Local Authority on commencement of the development. The contributions will be paid into an account by the Local Authority. Contributions will be subdivided into pots of no more than five contributions towards the delivery and maintenance of a particular piece of green infrastructure as outlined within the Green Infrastructure SPD and Action Plan. Developers will be informed when and where their contribution has been invested.

24.20 In exceptional circumstance in large-scale development, it may be appropriate that payments or provision would be phased in order to meet the proportional impact of each phase. Trigger points for payments or provision will be included in the legal agreement, as will the period in which any contribution will have to be spent.

National Policy Background

National Planning Policy Framework (2012)

- 25.1 Sets the position in terms of how transport should be dealt with both in plan preparation and in the determination of planning applications. It notes that *“transport policies have an important role to play in facilitating sustainable development but also in contributing to wider sustainability and health objectives”* and that *“in preparing Local Plans, local planning authorities should therefore support a pattern of development which, where reasonable to do so, facilitates the use of sustainable modes of transport.”*
- 25.2 It goes on to state that *“all developments that generate significant amounts of movement should be supported by a Transport Statement or Transport Assessment. Plans and decisions should take account of whether:*
- *the opportunities for sustainable transport modes have been taken up depending on the nature and location of the site, to reduce the need for major transport infrastructure;*
 - *safe and suitable access to the site can be achieved for all people; and*
 - *improvements can be undertaken within the transport network that cost effectively limit the significant impacts of the development. Development should only be prevented or refused on transport grounds where the residual cumulative impacts of development are severe.”*
- 25.3 Where it is likely improvements to the highway network will be required as a result of the development, the NPPF notes that the scale of obligations should still provide competitive returns to a willing landowner and developer. It notes that it is therefore important for local authorities to understand the costs of infrastructure associated with development of the sites within a developing plan.

Sub Regional Policy Background

Tees Valley Strategic Infrastructure Plan (2014)

- 25.4 This plan gives an overview of the Tees Valley's transport network noting some of the key issues and challenges. One of the main issues it highlights is that the majority of travel is currently by private car and this has resulted in a number of *“pinch points”* on the highway network which impacts on the reliability of the road network. The Plan highlights some of the key investments and improvements which are needed over the coming years to increase the national competitiveness of the sub region.

Local Policy Background

Hartlepool Local Transport Plan 3 (LTP) (2011-26)

- 25.5 The LTP, in tandem with the Hartlepool extant and emerging Local Plan, will help shape transport policy in the Borough. The LTP should be used alongside the extant and emerging local plans in reference to transport strategy and policies. The local plan will, through its written statement and policies, seek to reflect the strategies set out in the LTP.
- 25.6 LTP3 recognises the significant reductions in funding (from the previous 2 LTP's) towards implementing a sustainable transport network within Hartlepool. It however also recognises that by addressing transport problems and concerns we can improve access to jobs and skills, enhance the competitiveness of the region, and also improve social inclusion, health and access to key services.
- 25.7 The LTP is split into two main sections looking at longer term highway aspirations and needs and a shorter term delivery plan.

Hartlepool Local Plan (2006)

- 25.8 National, regional and local transport policy recognises the need for sustainable transport solutions (such as the promotion of public transport, cycling, walking etc), and that current trends in increased car ownership and usage cannot be supported in the longer term. As such, future transport investment needs to focus on measures that encourage modal shift away from the car and increase travel choice by improving conditions for pedestrians, cyclists and public transport users. This is in line with policies Tra5 (Cycleways Network), Tra16 (Car Parking Standards), Tra20 (Travel Plans).
- 25.9 The Local Plan highlights a number of policies where improvements to the road infrastructure in town will be necessary. Where viable, developments in the vicinity of these improvements will be expected to contribute toward the cost of implementing these schemes where it is shown that the development will have an impact on the road network.

Hartlepool Transport Assessments and Travel Plans SPD (2010)

- 25.10 The document promotes good practice in support of the Council's vision for sustainable development. It gives guidance additional to that set out in the Hartlepool Local Plan with regard to transport and accessibility by encouraging a choice of transport options for new development which are safe, efficient, clean and fair. The guidance seeks to minimise the need to travel and to improve accessibility by providing real alternatives to the private car. The document encourages developers to take account of transport issues at an early stage in the preparation of development proposals and describes what measures should be taken to achieve the transport objectives through the implementation of Travel Plans.

Hartlepool Local Infrastructure Plan (2012)

- 25.11 The Local Infrastructure Plan (LIP) was developed to support the production of the Local Plan (which was subsequently withdrawn following the examination) and highlighted the pressures that were put on specific highway infrastructure as a result of the proposed development. The LIP was drawn up in consultation with the Highways Agency and helps to give an understanding of some of the key areas of the highway network which will need investment if development in certain areas of the town comes forward. The LIP is an adopted document which will be refreshed as the new Local Plan is drawn up⁶. It should be referred to by developers considering development in the town before a new Local Plan is in place.

Off-site Provision

- 25.12 Assuming that car ownership and use patterns remain or increase it can be expected that new developments will increase the number of vehicular trips on the surrounding road network. This could cause problems for the safe and free flow of traffic. In these circumstances, works or contributions will be required to mitigate the negative impacts of the development.
- 25.13 To look at the impacts developments within the Local Plan will have on the road network the Council will work closely with neighbouring authorities (where there are cross boundary implications from a development), the Local Enterprise Partnership (LEP) / Tees Valley Unlimited (TVU) and the Highways England (HE) to ensure that developments which are proposed will not adversely impact on the highway network to such an extent that the development is not acceptable. Modelling will be undertaken using both sub regional and HE models to assess the likely impact from developments. Where works to the highways networks are necessary this will need to be factored in at an early stage to assess the deliverability of the scheme.
- 25.14 Developers have a responsibility to provide improvements to the transport network within the vicinity of their site to cater for increased vehicular movement, or increased size of vehicles needing to use nearby junctions. The extent of any improvements required to ensure the safe and efficient operation of the development and the local highway network will be determined in the light of the Transport Assessment Statement submitted with the planning application. Highway access improvements will normally be secured through a section 278 agreement. Highway mitigation measures on the wider network will normally be secured through a Planning Obligation Agreement. Highway improvements will only be required where they are essential for the operation of the development and the adjacent highway network.

⁶ Upon endorsement of an updated Hartlepool Local Infrastructure Plan as part of the Local Plan development, this will become the reference document for this SPD, superseding the Hartlepool Local Infrastructure Plan (2012).

25.15 Therefore, all works required under the Transport Assessment (TA) or Transport Statement (TS) will need to be secured under the Planning Obligations Agreement or via condition.

25.16 Developers have an important role to play in encouraging sustainable travel and will be required to submit a travel plan with all applications likely to generate significant amounts of travel. Development proposals for all major developments within the boundaries of Hartlepool will require a travel plan when the following thresholds are exceeded:

Table 6 – Development Thresholds requiring a Travel Plan

LAND USE CLASS	THRESHOLD
A1 - Food Retail and Non Food Retail	500sq m (gross)
B1 - Business	1000sq m
B2 General Industry B8 Storage or Distribution	2500sq m
Residential – Dwelling Houses	50 units
Other	Case-by-Case

25.17 Travel plans can be secured through conditions on the planning permission, rather than through the Planning Obligations Agreement. However, there will be circumstances where the Travel Plan will be required through the Agreement. This will be on sites where there are particular concerns that the targets within the Travel Plan will not be met or where they are so important to the decision to grant planning permission that they must be adhered to. In these cases the Agreement will secure the submission of the Travel Plan and will also put in place measures to pursue targets and address any failure to meet targets.

25.18 There will be a requirement placed on the developer to submit annual reports on whether, or to what extent, the Travel Plan targets have been met for that year. DfT 'Good Practice Guidelines – Delivering Travel Plans through the Planning Process' (2009) states in Section 9 that *Local Authorities should consider charging for Travel Plan monitoring and Review to help encourage implementation of Travel Plans that have been secured*. The Council will require this unless it can be illustrated that to do so would impact on the viability of the development to such an extent that it would mean that the scheme was not deliverable.

Level of Contribution

- 25.19 The type and level of contribution required for off-site highways works can only be determined on a site by site basis through the developments TA. If there is an existing use on the development site, the traffic generation from that use will be taken into account when determining the impact of the new proposal. The developer will only be expected to mitigate the impact of the additional traffic caused by their new use.
- 25.20 In instances where highway works are needed as a direct result of the development, and considering the lack of public funding available for investment in highway infrastructure, the full cost of the mitigation measures will need to be met by the developer unless there is any grant funding available, for example through the HA which could help to cover the costs of the work. The presumption will be that the works will be either carried out by the Local Highway Authority, under a section 278 Agreement, or by the developer to a specification and timetable agreed with the Local Authority. In the vast majority of cases the works will need to be carried out before the legal completion of the first unit within the development.
- 25.21 Where a number of different developments will give rise to a need for off-site highways improvements, contributions will be required from each development towards those works. The level of contribution for each development will be determined by applying a pro-rata contribution based on the trip generation of each development.

- 26.1 Community facilities including schools, community centres, libraries and health care facilities are vital to ensure communities are prosperous, sustainable, healthy, vibrant and safe. The provision of a range of community facilities is particularly important on large sites where whole new communities are being created. It is also important however, to ensure that the scale of existing facilities keep up with expanding populations through smaller incremental developments.
- 26.2 Community facilities generally will be dealt with on a site-by-site basis to allow the impact of the development to be assessed against the need for particular facilities which such a development would create. In terms of contributions towards education provision, capacity in nearby schools, along with other known developments and the pressures they will create will be taken into consideration in determining whether contributions are needed. The following paragraphs set out some general principles and highlight the types of community facilities which may be required. In some instances contributions may be required not only towards the development of new facilities but also towards the sustainable refurbishment or extension of existing facilities.

National Planning Background

National Planning Policy Framework (2012)

- 26.3 The NPPF states that *“the Government attaches great importance to ensuring that a sufficient choice of school places is available to meet the needs of existing and new communities. Local planning authorities should take a proactive, positive and collaborative approach to meeting this requirement, and to development that will widen choice in education. They should:*
- give great weight to the need to create, expand or alter schools; and*
 - work with schools promoters to identify and resolve key planning issues before applications are submitted.”*

National Planning Policy Guidance (2014)

- 26.4 This guidance sets out in Policy statement – planning for schools development, the Government’s commitment to support the development of state-funded schools and their delivery through the planning system. Placing a duty on Local Authorities to *‘make full use of their planning powers to support state-funded schools applications. This should include engaging in pre- application discussions with promoters to foster a collaborative approach to applications and, where necessary, the use of planning obligations to help to mitigate adverse impacts and help deliver development that has a positive impact on the community.’*

Local Policy Background

Hartlepool Local Plan (2006)

- 26.5 Policy GEP9 of the Hartlepool Local Plan 2006 supports the requirement for contributions towards community facilities such as schools, thus helping to ensure that the boroughs education infrastructure can cope with developments over the coming years.

Education Facilities

- 26.6 Education infrastructure is an integral part of new residential development and is essential in order to achieve sustainable communities. Developments that are likely to generate an increased demand for school places will need to contribute towards expanding existing education facilities where the development is not of a sufficient size to require a new school. This will include contributions and/or the allocation of land to enable schools to be built or extended.
- 26.7 Contributions will only be sought for these developments where there is insufficient capacity in existing local schools to cope with the pressures associated with development in the area. When looking at spare capacity the Local Authority will also take into account other developments in the vicinity, and information on projected future pupil numbers.
- 26.8 The following types of residential development will be exempt from education obligations: sheltered housing, student accommodation, care homes and residential homes for the elderly.

Primary Schools

- 26.9 For developments of 750 dwellings or more a primary school will normally be required on-site, subject to spare capacity in local schools. In cases where a school is to be provided on site, the developer will normally be expected to set aside sufficient land and to pay towards the construction of the educational facilities to the Local Authority's design and specification. Early dialogue between all parties will be critical to ensure that additional sources of funding can be obtained to enable the school to be provided at the necessary point in time to meet demand. In certain circumstances, if the developer can illustrate that the construction of the school cannot be justified in viability terms; the Local Authority may be willing to accept a parcel of land on site which would be used to construct new education facilities with a reduced financial contribution to assist with construction costs.

Off-site Provision

- 26.10 At the current point in time it is unlikely that a new, off-site school would be required as a result of any development site in Hartlepool. Sites over the threshold noted above would provide a school on site and other sites would be required to make a financial contribution towards the extension or refurbishment of a nearby school where it is considered by the Local Education Authority that the schools in proximity to development will be unable to cope with the additional children generated by the development.

Financial contributions

- 26.11 A local formula has been developed, reflecting the number of pupils expected to reside in the dwellings during and beyond completion of the development. The calculations for primary schools are summarised below⁷:

⁷ Cost per place subject to change in line with the most recent produced figures from DfE.

Primary Contribution (based on example of 200 homes)

15 community primary school pupils per 100 houses built
3.6 Roman Catholic primary pupils per 100 houses built
Total -18.6 primary pupils in total per 100 houses built

$200 \text{ (Number of houses to be built)} / 100 \times 18.6 \text{ primary pupils} = 37.2$ (total primary pupils from development) (round down if below 0.5)

In order to calculate the overall cost of providing these places, the cost per place must be calculated. The DfE annually updates the cost of guidance relating to the provision of educational facilities.

The cost factor per primary school place (outside of London) is currently (2014) **£9,165***.

The commuted sum sought from the development for Primary education provision can then be calculated as $37 \text{ (places)} \times £9,165 \text{ (cost per place)} = £339,105$

* The cost per school place figures are reviewed regularly, therefore the figure above is subject to change. Contributions will be calculated on the correct figure at time of application submission.

- 26.12 All financial contributions will be index linked (using the Retail Prices Index – all items) to the date of the determination of the planning application by the council. Where there is clear evidence that the costs of relevant works/services have increased or decreased (having regard to the most up to date cost data published by the council), then any financial contributions sought through planning obligations may be adjusted accordingly.

Secondary schools - On-site or Off-Site provision

- 26.13 The need for an additional secondary school is not considered likely in Hartlepool, given the planned rebuilding and remodelling of the town's existing schools via the current government programme which will see Manor School rebuilt. In the future should the town expand significantly, and, as a result, there is an identified need for a new secondary school, this will be considered at that time. However there may be a requirement for investment into existing secondary schools where there is insufficient capacity within nearby schools or where there is capacity but investment is needed in the building to secure that capacity for the future. If a contribution is required, the following calculation will be used:

Secondary Contribution (based on example of 200 homes)

10 secondary pupils per 100 houses built
3 Roman Catholic secondary pupils per 100 houses built
Total - 13 secondary pupils in total per 100 houses built

$200 \text{ (Number of houses to be built)} / 100 \times 13 \text{ secondary pupils} = 26$ (total secondary pupils from development)

In order to calculate the overall cost of providing these places, the cost per place must be calculated. The DfE annually updates the cost of guidance relating to the provision of educational facilities.

The cost factor per secondary school place (outside of London) is currently (2014) **£12,205***.

The commuted sum sought from the development for secondary education provision can then be calculated as $26 \text{ (places)} \times £12,205 \text{ (cost per place)} = £317,330$

* The cost per school place figures are reviewed regularly, therefore the figure above is subject to change. Contributions will be calculated on the correct figure at time of application submission.

26.14 As with the contributions to Primary education these will be index linked (see 26.12).

Community Centres

26.15 Community centres provide an important focus for local people and contribute to the economic, social and cultural life of neighbourhoods by providing leisure, recreation, education and job training opportunities for a range of groups. Community centres can help to create sustainable neighbourhood centres that contribute to the local economy through provision of affordable space for meetings, training and functions together with workspace for local businesses, organisations and community enterprises. They provide a vital resource for building a cohesive community and as such are important in residential developments.

National Policy Background

National Planning Policy Framework (2012)

26.16 Localism is at the heart of the Government's changes to the planning system and a key element of that is ensuring the growth of cohesive communities. The NPPF requires local authorities to plan positively for the provision and use of shared space, community facilities (such as... meeting places...cultural buildings...) and other local services to enhance the sustainability of communities and residential environments and to guard against the loss of valuable community facilities which would reduce the community's ability to meet its day to day needs.

Local Policy Background

Hartlepool Local Plan (2006)

26.17 Policy GEP9 of the Hartlepool Local Plan 2006 enables the authority to seek contributions towards community facilities, such as community centres, where they are considered necessary as part of a development and where their provision would not impact on the overall viability of the development.

On-site Provision

26.18 On large residential sites (over 750 dwellings), where a new community centre is required on-site the Local Authority would require the developer to build the facilities themselves, to a design agreed by the Local Authority.

Maintenance

26.19 In situations where the developer has provided a new community centre facility, the Local Authority will seek a commuted sum to provide for the maintenance of the facility for an agreed period which is usually 20 years, subject to viability of the development.

27.0 Training and Employment

- 27.1 Within all new developments it is becoming important to encourage that Local Labour Agreements and Training initiatives help to provide local people with an opportunity to gain employment or training as part of the development. Within the town a number of agreements have been put in place over the past few years, all of which have contributed significantly towards ensuring good quality jobs and opportunities for the residents of Hartlepool.
- 27.2 These agreements can help to ensure that new developments employ a certain percentage of unemployed people, local residents and people with disabilities and also help to maintain these positions and levels in the future.
- 27.3 This includes seeking opportunities in the form of training and employment on schemes to repair and restore heritage assets in order to build capacity in terms of traditional crafts and skills which are in short supply in the North east region generally.

Policy Background

- 27.4 The Hartlepool Borough Council Targeted Training Recruitment and Training Strategy 2007 commits the Council to *“achieving the economic, social and environmental objectives set out in the Hartlepool Community Strategy so as to ensure a better quality of life for everyone, now and for generations to come. To achieve this, the Council commits to the following actions to the fullest extent possible within the relevant legal and policy frameworks and the available funding:*
- *To include training, equal opportunities and employment requirements, and opportunities for small and medium sized enterprises, in its service requirements, where it considered appropriate.*
 - *To include other social and environmental matters in its service requirements, where it considers appropriate.*
 - *To use these requirements in all stages of the selection and appointment process, and as contract conditions.”*
- 27.5 The Council has an adopted Targeted Training and Employment Charter 2007. This Charter allows the Local Authority to incorporate targeted training and employment matters in planning and development proposals/briefs where it is appropriate and affordable.
- 27.6 In addition, the Council has also implemented the Constructing Hartlepool Strategy 2014 which complements the shared goals of key documents such as Hartlepool Vision, Masterplan, Economic Regeneration Strategy and Housing Strategy. Through this strategy, developers will be invited to advise the Council on how they plan to incorporate local supply chains and targeted, recruitment and training (TRT) clauses within their planning proposal which will support business growth and enable greater access to employment and skills for local residents.

Thresholds

- 27.7 All new developments over the thresholds in table 7 below will be required to put into place a training and employment plan.

Table 7 – Development Thresholds requiring a Training and Employment Plan

Type	Threshold
Residential	Over 10 units
<u>Commercial:</u>	
A1	
Food Retail/Non Food Retail	500sq m floorspace
B1	
Including Offices	1000sq m floorspace
C1	
Hotels	Over 10 bedspace
D2	
Including leisure	1000sq m floorspace
Other	Case-by-Case basis

Delivery Requirements

- 27.8 Where a development is required to include training and employment as part of a planning obligation the local authority may ask for targeted recruitment and training requirements relating to both the construction of developments and the long term recruitment policy of the company who would operate the building or development.
- 27.9 Early discussions with the developer will help to ensure that there is a clear understanding of the specific targeted recruitment and training requirements that would be appropriate for the development and also to help set out the likely mechanisms that will ensure that these requirements can survive delays, changes in developer or other changes in circumstances that may influence the requirements of the development.
- 27.10 The contact point in relation to queries on Training and Employment requirements is Antony Steinberg, Economic Regeneration Manager, Tel. 01429 857081.

National Policy BackgroundNational Planning Policy Framework (2012)

- 28.1 The Government's commitment to the protection and enhancement of Heritage assets through the planning system is set out in Section 12 of the NPPF. The NPPF requires local authorities to have a positive strategy for the conservation and enjoyment of the historic environment, outlining that in determining applications; local authorities should take account of:
- The desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation;
 - The positive contribution that conservation of heritage assets can make to sustainable communities including their economic vitality; and
 - The desirability of new development making a positive contribution to local character and distinctiveness.

National Planning Practice Guidance (2014)

- 28.2 This guidance sets out a clear framework for both plan-making and decision-taking to ensure that heritage assets are conserved, and where appropriate enhanced, in a manner that is consistent with their significance and thereby achieving sustainable development. Part of the public value of heritage assets is the contribution that they can make to understanding and interpreting our past.
- 28.3 This guidance states that Public benefits may follow from many developments and could be anything that delivers economic, social or environmental progress as described in the National Planning Policy Framework (Paragraph 7). Public benefits should flow from the proposed development. They should be of a nature or scale to be of benefit to the public at large and should not just be a private benefit. However, benefits do not always have to be visible or accessible to the public in order to be genuine public benefits.
- Public benefits may include heritage benefits, such as:
- sustaining or enhancing the significance of a heritage asset and the contribution of its setting
 - reducing or removing risks to a heritage asset
 - securing the optimum viable use of a heritage asset in support of its long term conservation

Local Policy Background

- 28.4 Hartlepool has eight conservation areas which all vary in character. Six of the conservation areas lie in the main urban area of the town, and the two others in outlying villages. Conservation area appraisals outline the character for each of the areas. There are 212 Listed Buildings and whilst Hartlepool has a number of buildings that are deemed of national importance there are many buildings that locally make a contribution to the character and historical legacy of the areas in which they are located. The Council has put together an extensive 'local list' of buildings to recognise the significance of these properties to Hartlepool. [A list of buildings of local interest is available to download.](#)

Hartlepool Local Plan (2006)

- 28.5 Policy HE1, HE2, HE3, HE8 and HE12 of the Hartlepool Local Plan 2006 sets out the Local Authority's position in relation to the protection and enhancement of heritage assets.

Thresholds

- 28.6 There are no set thresholds in relation to Heritage Assets; impact of development will be assessed on a case by case basis.

Delivery Requirements

- 28.7 Where a development affects heritage assets or their settings, harm may be caused to their historic significance in exceptional circumstances, therefore mitigation measures will be required as part of the development. By way of example these could include, but would not be limited to the following,
- 'In kind' payments, including land transfers: this could include the transfer of an 'at risk' building.
 - Repairs and improvements to, and the maintenance of, heritage assets where they are an infrastructure item as defined by the Planning Act 2008, such as cultural or recreational facilities, transport infrastructure such as historic bridges, and green and social infrastructure such as parks and gardens.
 - Opportunities for funding improvements to, and the mitigation of adverse impacts on, the historic environment, such as archaeological investigations, access and interpretation and the repair and reuse of buildings or other assets.
- 28.8 It is acknowledged that there could be circumstances where the viability of a scheme (otherwise designed to respect the setting of a heritage asset in terms of its quantum of development) could be threatened by planning obligation requirements. In these cases it is accepted that negotiation will take place with developers to ensure the protection and enhancement of heritage assets will take precedent.

APPENDIX 1 – ECONOMIC VIABILITY ASSESSMENT

1. Introduction

- 1.1 Evidence presents a clear need for affordable housing, however it is acknowledged that the level of 44% may have an impact on the viability of developments coming forward. Therefore an assessment of affordable housing economic viability assessment has been prepared to determine an affordable housing target.
- 1.2 A deliverable affordable housing target of 18% has been established.

2. Residential Development Assumptions

- 2.1 In order to assess the economic viability and the ultimate deliverability of new residential development with regard to the level of affordable housing contributions certain assumptions were made with regard to the value of development, land value, build costs, finance costs etc. The development assumptions made are illustrated in Tables 4 to 8.
- 2.2 The values of the development assumptions have been arrived at by reviewing:
- The most likely development types likely to come forward in Hartlepool in the future; i.e. medium to high quality Greenfield residential schemes.
 - A representative sample of the development costs/values set out in submitted economic viability assessments which have been submitted to the Council over the last few years.
 - Local development cost/value indicators.
 - Standard development costs in the local area as represented in the Building Cost Information Service (BCIS).
 - Advice from Council officers including Highways, Engineers, Parks & Countryside, Education etc.
- 2.3 It must be appreciated that where possible, higher than average values for build costs and infrastructure costs have been assumed to allow for error and to not underestimate development costs. The standardised assumptions will differ in some cases from the figures that may be used in actual development schemes, but they reflect the normal or usual figures expected in the majority of developments in the North East region, the Tees Valley sub region and the Borough of Hartlepool. The individual site calculations are included as Tables 4 to 8 and can be provided on an Excel spreadsheet if required.
- 2.4 Table 1 summarises the development components which are illustrated in detail in Tables 4 to 8.

Development Component	Development Size (Number of Dwellings)			
Number of Dwellings	15	50	100	500
Estimate of Income Value	£3,195,000	£10,650,000	£21,300,000	£106,500,000
Estimate of Land Value Cost	£500,000	£1,600,000	£3,500,000	£18,000,000
Estimate of Overall Build Costs	£2,466,805	£8,055,600	£15,798,700	£79,018,500
Estimate of Other Developer Contributions	£168,380	£6,309,000	£12,305,500	£61,552,500
5% Off Site Affordable Housing Contribution	£39,832	£132,773	£265,545	£1,327,725
10% Off Site Affordable Housing Contribution	£79,664	£265,545	£531,090	£2,655,450
15% Off Site Affordable Housing Contribution	£119,495	£398,318	£796,635	£3,983,175
18% Off Site Affordable Housing Contribution	£139,411	£464,704	£929,408	£4,647,038
20% Off Site Affordable Housing Contribution	£159,327	£531,090	£1,062,180	£5,310,900
44% Off Site Affordable Housing Contribution	£350,519	£1,168,398	£2,336,796	£11,683,980

Table 1: Assumed Development Costs/Values & Affordable Housing Contribution Scenarios

3. Overall Developer Contribution Delivery Scenarios

- 3.1 Using the developer assumptions to estimate the bare economic viability of each type of development anticipated to deliver in the future, there is the possibility to secure developer contributions as part of the development alongside affordable housing contributions.
- 3.2 Some developer contributions enable development to occur, such as highway improvements, whereby if they weren't provided the development would not be able to be physically accessed effectively. These "enabling" developer contributions are essentially non-negotiable and must be provided if a development is to take place. However in the interest of creating sustainable communities some developer contributions add to the overall quality of development and make the development, sustainable and appropriate in planning terms. Varying degrees of developer contributions can be secured depending upon type, impact and economic viability of development on the surrounding environment and the wider Borough.

4. Affordable Housing Contribution Scenarios

- 4.1 As outline in the SPD the affordable housing need in the Borough is for 44%, however this figure is essentially undeliverable on most residential developments due to economic viability. In order to assess and arrive at a deliverable affordable housing "target" a range of development sizes have been considered:
 - 15 dwellings, 50 dwellings, 100 dwellings and 500 dwellings
- 4.2 Further to this a range of affordable housing provision scenarios have been considered:
 - 5%, 10%, 15%, 18%, 20% and 44% Off Site Contribution
- 4.3 Tables 4 to 8 illustrate the overall economic viability of the assumed development sizes considering the level of affordable housing that can be provided alongside all other required developer contributions outlined in the Planning Obligations SPD.

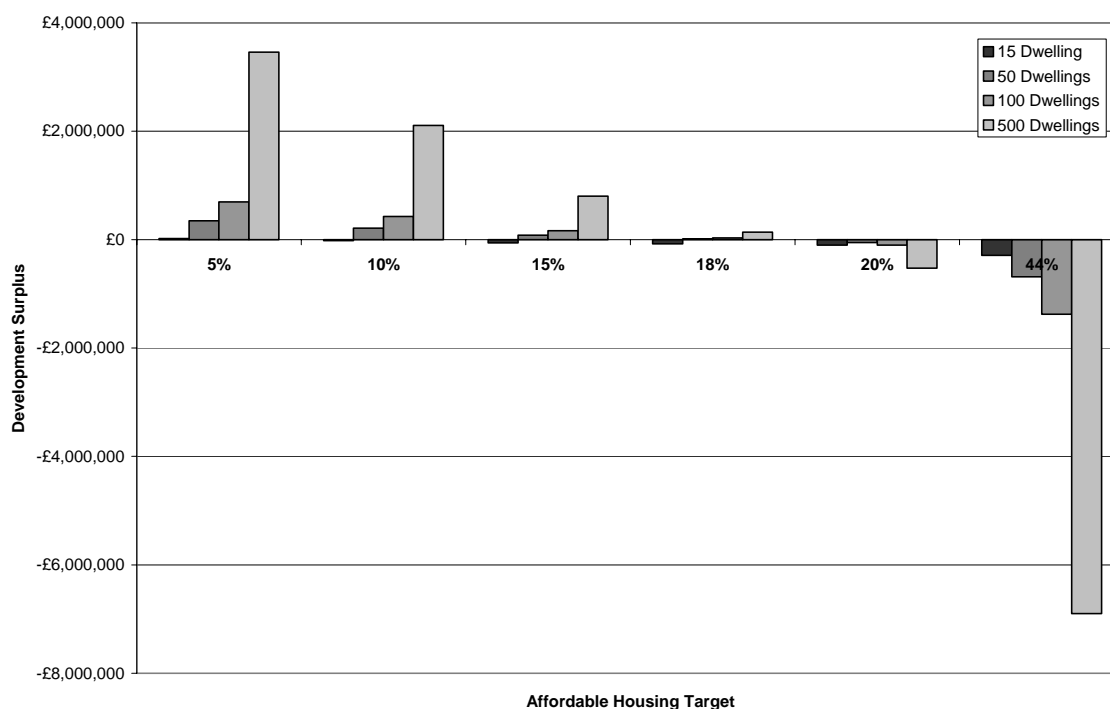
5. Deliverable Affordable Housing Target

- 5.1 In undertaking the economic viability assessments (illustrated in Tables 4 to 8) it is apparent that if new residential developments in excess of 15 dwellings are expected to contribute 44%, in order to meet the defined housing need it means that they are not economically viable. Table 2 below bring together the overall findings of tables 4 to 8 and illustrates the overall economic viability of the typical developments assessed.

Development Scenario	Development Size (Number of Dwellings)			
	15	50	100	500
5% Affordable Housing	£19,983	£347,028	£696,555	£3,457,775
10% Affordable Housing	-£20,488	£212,125	£426,750	£2,108,750
15% Affordable Housing	-£59,680	£81,483	£165,465	£802,325
18% Affordable Housing	-£79,596	£15,096	£32,693	£138,463
20% Affordable Housing	-£99,512	-£51,290	-£100,080	-£525,400
44% Affordable Housing	-£290,704	-£688,598	-£1,374,696	-£6,898,480

Table 2: Development Scenarios and Affordable Housing Target Economic Viability (£)

- 5.2 Table 2 identifies that 5%, 10% and 15% affordable housing contributions can be delivered on typical residential developments however 20% and above becomes not economically viable due to the level of contributions required. Graph 1 illustrates table 1 and identifies the deliverable affordable housing target “cut of point” where appropriate contributions can be achieved is 18%.



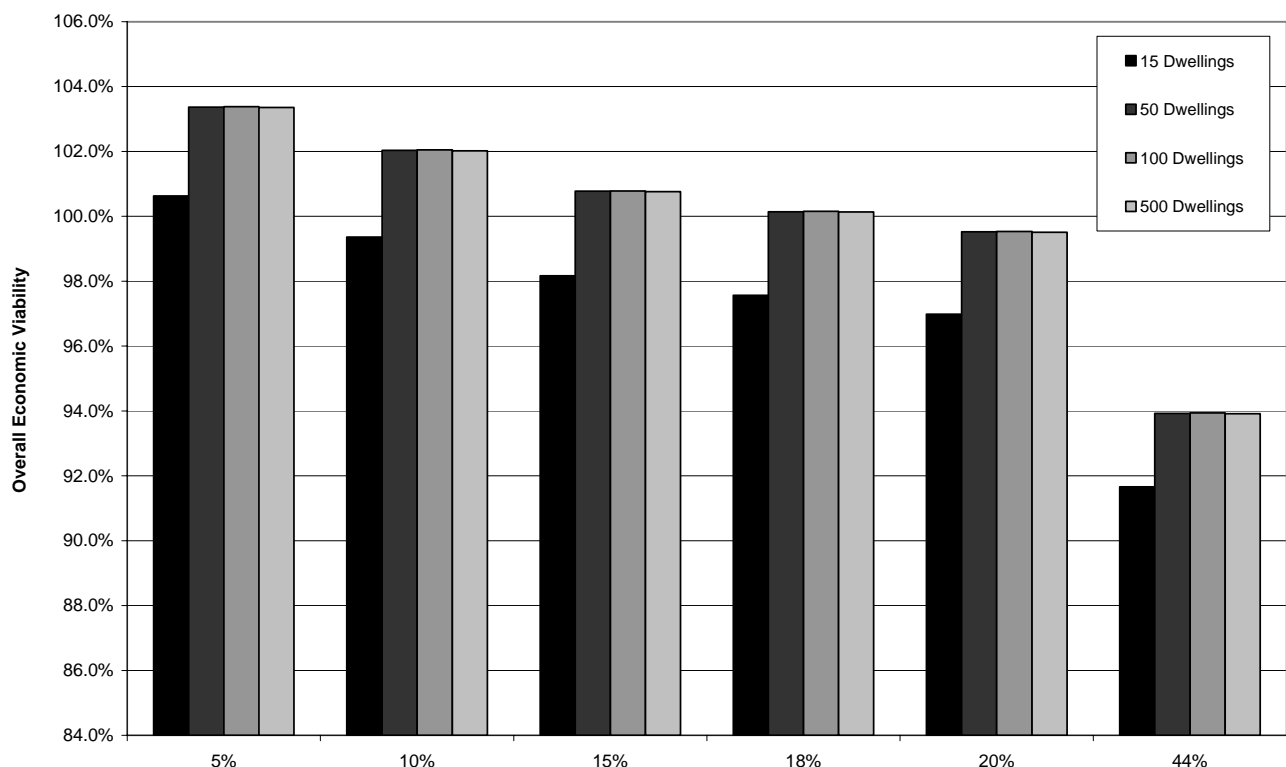
Graph 1: Development Scenarios and Affordable Housing Target Economic Viability (£)

- 5.3 Table 3 illustrates the development risk as a percentage. Typically, where a site is in excess of 100% it is assumed that it is economically viable and therefore could deliver appropriate developer contributions. If a site is at or below 100% there is a risk to the development starting and delivering as there would be a risk to the developer in securing appropriate finance.

Development Scenario	Development Size (Number of Dwellings)			
	15	50	100	500
5% Affordable Housing	100.6%	103.4%	103.4%	103.4%
10% Affordable Housing	99.4%	102.0%	102.0%	102.0%
15% Affordable Housing	98.2%	100.8%	100.8%	100.8%
18% Affordable Housing	97.6%	100.1%	100.2%	100.1%
20% Affordable Housing	97.0%	99.5%	99.5%	99.5%
44% Affordable Housing	91.7%	93.9%	93.9%	93.9%

Table 3: Development Scenarios and Affordable Housing Target Economic Viability (%)

- 5.4 Graph 2 gives a further illustration of the trend that requiring greater affordable housing contributions results in reduced economic viability to the point whereby developments become not economically viable. The 18% affordable housing deliverability target reflects the point at which the majority of the development schemes fall below the 100% viability benchmark.



Graph 2: Development Scenarios and Affordable Housing Target Economic Viability (%)

6. Individual Economic Viability Development Scenario Assessments

6.1 The following tables illustrate the outcomes of the economic viability tests carried out on different levels of affordable housing contributions. For reference the tables are summarised in table 1 earlier in this appendix.

Site Description	Number of Dwellings				Comments
Number of Dwellings	15	50	100	500	
Dwelling floorspace (sqm)	100	100	100	100	
Net Residential Floorspace (sqm)	1500	5000	10000	50000	
Site Size (ha)	0.5	1.6	3.5	18.0	
Income Value					Comments
Market Value (per sqm)	£2,130	£2,130	£2,130	£2,130	
Unit Size (sqm)	100	100	100	100	
Unit Value	£213,000	£213,000	£213,000	£213,000	
Total	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Land Value / Purchase Cost					Comments
Estimated £ per ha	£1,000,000	£1,000,000	£1,000,000	£1,000,000	
Estimated Cost	£500,000	£1,600,000	£3,500,000	£18,000,000	
Total	£500,000	£1,600,000	£3,500,000	£18,000,000	
Build Costs PER UNIT					Comments
Total Unit Cost £ per sqm	£1,350,000	£4,375,000	£8,500,000	£42,500,000	£900, £875 and £850 per sqm estimate reduced by economies of scale
Abnormals	£25,000	£80,000	£175,000	£900,000	5% of Build Costs
Enabling Costs	£37,500	£125,000	£250,000	£1,250,000	£25 per sqm
Contingency	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Prelims	£67,500	£218,750	£425,000	£2,125,000	5% of Build Costs
Professional Fees	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Finance Arrangements	£81,000	£262,500	£510,000	£2,550,000	6% of Build Costs
Marketing & Sales Costs	£111,825	£372,750	£745,500	£3,727,500	3.5% of Development Value
Developer Profit	£523,980	£1,746,600	£3,493,200	£17,466,000	16.4% of Gross Development Value
Total	£2,466,805	£8,055,600	£15,798,700	£79,018,500	
Developer Contributions					Comments
5% Off Site Affordable	£39,832	£132,773	£265,545	£1,327,725	40% of the value of a £132,772 Average Borough Value = £53,109 per unit
10% Renewables	£45,000	£150,000	£300,000	£1,500,000	Estimate of £3000 per dwelling
Energy Efficiencies	£12,750	£42,500	£85,000	£425,000	Estimate of £850 per dwelling
Off Site Highway Improvements	£0	£20,000	£100,000	£500,000	Estimate of Traffic Calming, Crossings, Junctions etc.
Primary Education Provision	£25,575	£85,250	£170,500	£852,500	Estimate of £1,705 per dwelling
Secondary Education Provision	£23,805	£79,350	£158,700	£793,500	Estimate of £1,587 per dwelling
Open Space / Play Provision	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Built Sports Facilities	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
SuDS Provision	£50,000	£100,000	£150,000	£250,000	Estimate of providing on site SuDS Scheme
Green Infrastructure	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Total	£208,212	£647,373	£1,304,745	£6,023,725	
Total Development Value	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Total Development Costs	£3,175,017	£10,302,973	£20,603,445	£103,042,225	
Total Development Surplus	£19,983	£347,028	£696,555	£3,457,775	
% Overall Economic Viability	100.6%	103.4%	103.4%	103.4%	

Table 4: 5% Affordable Housing Contribution Development Scenario

Site Description	Number of Dwellings				Comments
Number of Dwellings	15	50	100	500	
Dwelling floorspace (sqm)	100	100	100	100	
Net Residential Floorspace (sqm)	1500	5000	10000	50000	
Site Size (ha)	0.5	1.6	3.5	18.0	
Income Value					Comments
Market Value (per sqm)	£2,130	£2,130	£2,130	£2,130	
Unit Size (sqm)	100	100	100	100	
Unit Value	£213,000	£213,000	£213,000	£213,000	
Total	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Land Value / Purchase Cost					Comments
Estimated £ per ha	£1,000,000	£1,000,000	£1,000,000	£1,000,000	
Estimated Cost	£500,000	£1,600,000	£3,500,000	£18,000,000	
Total	£500,000	£1,600,000	£3,500,000	£18,000,000	
Build Costs PER UNIT					Comments
Total Unit Cost £ per sqm	£1,350,000	£4,375,000	£8,500,000	£42,500,000	£900, £875 and £850 per sqm estimate reduced by economies of scale
Abnormals	£25,000	£80,000	£175,000	£900,000	5% of Build Costs
Enabling Costs	£37,500	£125,000	£250,000	£1,250,000	£25 per sqm
Contingency	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Prelims	£67,500	£218,750	£425,000	£2,125,000	5% of Build Costs
Professional Fees	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Finance Arrangements	£81,000	£262,500	£510,000	£2,550,000	6% of Build Costs
Marketing & Sales Costs	£111,825	£372,750	£745,500	£3,727,500	3.5% of Development Value
Developer Profit	£524,619	£1,748,730	£3,497,460	£17,487,300	16.4% of Gross Development Value
Total	£2,467,444	£8,057,730	£15,802,960	£79,039,800	
Developer Contributions					Comments
10% Off Site Affordable	£79,664	£265,545	£531,090	£2,655,450	40% of the value of a £132,772 Average Borough Value = £53,109 per unit
10% Renewables	£45,000	£150,000	£300,000	£1,500,000	Estimate of £3000 per dwelling
Energy Efficiencies	£12,750	£42,500	£85,000	£425,000	Estimate of £850 per dwelling
Off Site Highway Improvements	£0	£20,000	£100,000	£500,000	Estimate of Traffic Calming, Crossings, Junctions etc.
Primary Education Provision	£25,575	£85,250	£170,500	£852,500	Estimate of £1,705 per dwelling
Secondary Education Provision	£23,805	£79,350	£158,700	£793,500	Estimate of £1,587 per dwelling
Open Space / Play Provision	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Built Sports Facilities	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
SuDS Provision	£50,000	£100,000	£150,000	£250,000	Estimate of providing on site SuDS Scheme
Green Infrastructure	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Total	£248,044	£780,145	£1,570,290	£7,351,450	
Total Development Value	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Total Development Costs	£3,215,488	£10,437,875	£20,873,250	£104,391,250	
Total Development Surplus	-£20,488	£212,125	£426,750	£2,108,750	
% Overall Economic Viability	99.4%	102.0%	102.0%	102.0%	

Table 5: 10% Affordable Housing Contribution Development Scenario

Site Description	Number of Dwellings				Comments
Number of Dwellings	15	50	100	500	
Dwelling floorspace (sqm)	100	100	100	100	
Net Residential Floorspace (sqm)	1500	5000	10000	50000	
Site Size (ha)	0.5	1.6	3.5	18.0	
Income Value					Comments
Market Value (per sqm)	£2,130	£2,130	£2,130	£2,130	
Unit Size (sqm)	100	100	100	100	
Unit Value	£213,000	£213,000	£213,000	£213,000	
Total	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Land Value / Purchase Cost					Comments
Estimated £ per ha	£1,000,000	£1,000,000	£1,000,000	£1,000,000	
Estimated Cost	£500,000	£1,600,000	£3,500,000	£18,000,000	
Total	£500,000	£1,600,000	£3,500,000	£18,000,000	
Build Costs PER UNIT					Comments
Total Unit Cost £ per sqm	£1,350,000	£4,375,000	£8,500,000	£42,500,000	£900, £875 and £850 per sqm estimate reduced by economies of scale
Abnormals	£25,000	£80,000	£175,000	£900,000	5% of Build Costs
Enabling Costs	£37,500	£125,000	£250,000	£1,250,000	£25 per sqm
Contingency	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Prelims	£67,500	£218,750	£425,000	£2,125,000	5% of Build Costs
Professional Fees	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Finance Arrangements	£81,000	£262,500	£510,000	£2,550,000	6% of Build Costs
Marketing & Sales Costs	£111,825	£372,750	£745,500	£3,727,500	3.5% of Development Value
Developer Profit	£523,980	£1,746,600	£3,493,200	£17,466,000	16.4% of Gross Development Value
Total	£2,466,805	£8,055,600	£15,798,700	£79,018,500	
Developer Contributions					Comments
15% Off Site Affordable	£119,495	£398,318	£796,635	£3,983,175	40% of the value of a £132,772 Average Borough Value = £53,109 per unit
10% Renewables	£45,000	£150,000	£300,000	£1,500,000	Estimate of £3000 per dwelling
Energy Efficiencies	£12,750	£42,500	£85,000	£425,000	Estimate of £850 per dwelling
Off Site Highway Improvements	£0	£20,000	£100,000	£500,000	Estimate of Traffic Calming, Crossings, Junctions etc.
Primary Education Provision	£25,575	£85,250	£170,500	£852,500	Estimate of £1,705 per dwelling
Secondary Education Provision	£23,805	£79,350	£158,700	£793,500	Estimate of £1,587 per dwelling
Open Space / Play Provision	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Built Sports Facilities	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
SuDS Provision	£50,000	£100,000	£150,000	£250,000	Estimate of providing on site SuDS Scheme
Green Infrastructure	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Total	£287,875	£912,918	£1,835,835	£8,679,175	
Total Development Value	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Total Development Costs	£3,254,680	£10,568,518	£21,134,535	£105,697,675	
Total Development Surplus	-£59,680	£81,483	£165,465	£802,325	
% Overall Economic Viability	98.2%	100.8%	100.8%	100.8%	

Table 6: 15% Affordable Housing Contribution Development Scenario

Site Description	Number of Dwellings				Comments
Number of Dwellings	15	50	100	500	
Dwelling floorspace (sqm)	100	100	100	100	
Net Residential Floorspace (sqm)	1500	5000	10000	50000	
Site Size (ha)	0.5	1.6	3.5	18.0	
Income Value					Comments
Market Value (per sqm)	£2,130	£2,130	£2,130	£2,130	
Unit Size (sqm)	100	100	100	100	
Unit Value	£213,000	£213,000	£213,000	£213,000	
Total	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Land Value / Purchase Cost					Comments
Estimated £ per ha	£1,000,000	£1,000,000	£1,000,000	£1,000,000	
Estimated Cost	£500,000	£1,600,000	£3,500,000	£18,000,000	
Total	£500,000	£1,600,000	£3,500,000	£18,000,000	
Build Costs PER UNIT					Comments
Total Unit Cost £ per sqm	£1,350,000	£4,375,000	£8,500,000	£42,500,000	£900, £875 and £850 per sqm estimate reduced by economies of scale
Abnormals	£25,000	£80,000	£175,000	£900,000	5% of Build Costs
Enabling Costs	£37,500	£125,000	£250,000	£1,250,000	£25 per sqm
Contingency	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Prelims	£67,500	£218,750	£425,000	£2,125,000	5% of Build Costs
Professional Fees	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Finance Arrangements	£81,000	£262,500	£510,000	£2,550,000	6% of Build Costs
Marketing & Sales Costs	£111,825	£372,750	£745,500	£3,727,500	3.5% of Development Value
Developer Profit	£523,980	£1,746,600	£3,493,200	£17,466,000	16.4% of Gross Development Value
Total	£2,466,805	£8,055,600	£15,798,700	£79,018,500	
Developer Contributions					Comments
18% Off Site Affordable	£139,411	£464,704	£929,408	£4,647,038	40% of the value of a £132,772 Average Borough Value = £53,109 per unit
10% Renewables	£45,000	£150,000	£300,000	£1,500,000	Estimate of £3000 per dwelling
Energy Efficiencies	£12,750	£42,500	£85,000	£425,000	Estimate of £850 per dwelling
Off Site Highway Improvements	£0	£20,000	£100,000	£500,000	Estimate of Traffic Calming, Crossings, Junctions etc.
Primary Education Provision	£25,575	£85,250	£170,500	£852,500	Estimate of £1,705 per dwelling
Secondary Education Provision	£23,805	£79,350	£158,700	£793,500	Estimate of £1,587 per dwelling
Open Space / Play Provision	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Built Sports Facilities	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
SuDS Provision	£50,000	£100,000	£150,000	£250,000	Estimate of providing on site SuDS Scheme
Green Infrastructure	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Total	£307,791	£979,304	£1,968,608	£9,343,038	
Total Development Value	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Total Development Costs	£3,274,596	£10,634,904	£21,267,308	£106,361,538	
Total Development Surplus	-£79,596	£15,096	£32,693	£138,463	
% Overall Economic Viability	97.6%	100.1%	100.2%	100.1%	

Table 6: 18% Affordable Housing Contribution Development Scenario

Site Description	Number of Dwellings				Comments
Number of Dwellings	15	50	100	500	
Dwelling floorspace (sqm)	100	100	100	100	
Net Residential Floorspace (sqm)	1500	5000	10000	50000	
Site Size (ha)	0.5	1.6	3.5	18.0	
Income Value					Comments
Market Value (per sqm)	£2,130	£2,130	£2,130	£2,130	
Unit Size (sqm)	100	100	100	100	
Unit Value	£213,000	£213,000	£213,000	£213,000	
Total	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Land Value / Purchase Cost					Comments
Estimated £ per ha	£1,000,000	£1,000,000	£1,000,000	£1,000,000	
Estimated Cost	£500,000	£1,600,000	£3,500,000	£18,000,000	
Total	£500,000	£1,600,000	£3,500,000	£18,000,000	
Build Costs PER UNIT					Comments
Total Unit Cost £ per sqm	£1,350,000	£4,375,000	£8,500,000	£42,500,000	£900, £875 and £850 per sqm estimate reduced by economies of scale
Abnormals	£25,000	£80,000	£175,000	£900,000	5% of Build Costs
Enabling Costs	£37,500	£125,000	£250,000	£1,250,000	£25 per sqm
Contingency	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Prelims	£67,500	£218,750	£425,000	£2,125,000	5% of Build Costs
Professional Fees	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Finance Arrangements	£81,000	£262,500	£510,000	£2,550,000	6% of Build Costs
Marketing & Sales Costs	£111,825	£372,750	£745,500	£3,727,500	3.5% of Development Value
Developer Profit	£523,980	£1,746,600	£3,493,200	£17,466,000	16.4% of Gross Development Value
Total	£2,466,805	£8,055,600	£15,798,700	£79,018,500	
Developer Contributions					Comments
20% Off Site Affordable	£159,327	£531,090	£1,062,180	£5,310,900	40% of the value of a £132,772 Average Borough Value = £53,109 per unit
10% Renewables	£45,000	£150,000	£300,000	£1,500,000	Estimate of £3000 per dwelling
Energy Efficiencies	£12,750	£42,500	£85,000	£425,000	Estimate of £850 per dwelling
Off Site Highway Improvements	£0	£20,000	£100,000	£500,000	Estimate of Traffic Calming, Crossings, Junctions etc.
Primary Education Provision	£25,575	£85,250	£170,500	£852,500	Estimate of £1,705 per dwelling
Secondary Education Provision	£23,805	£79,350	£158,700	£793,500	Estimate of £1,587 per dwelling
Open Space / Play Provision	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Built Sports Facilities	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
SuDS Provision	£50,000	£100,000	£150,000	£250,000	Estimate of providing on site SuDS Scheme
Green Infrastructure	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Total	£327,707	£1,045,690	£2,101,380	£10,006,900	
Total Development Value	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Total Development Costs	£3,294,512	£10,701,290	£21,400,080	£107,025,400	
Total Development Surplus	-£99,512	-£51,290	-£100,080	-£525,400	
% Overall Economic Viability	97.0%	99.5%	99.5%	99.5%	

Table 7: 20% Affordable Housing Contribution Development Scenario

Site Description	Number of Dwellings				Comments
Number of Dwellings	15	50	100	500	
Dwelling floorspace (sqm)	100	100	100	100	
Net Residential Floorspace (sqm)	1500	5000	10000	50000	
Site Size (ha)	0.5	1.6	3.5	18.0	
Income Value					Comments
Market Value (per sqm)	£2,130	£2,130	£2,130	£2,130	
Unit Size (sqm)	100	100	100	100	
Unit Value	£213,000	£213,000	£213,000	£213,000	
Total	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Land Value / Purchase Cost					Comments
Estimated £ per ha	£1,000,000	£1,000,000	£1,000,000	£1,000,000	
Estimated Cost	£500,000	£1,600,000	£3,500,000	£18,000,000	
Total	£500,000	£1,600,000	£3,500,000	£18,000,000	
Build Costs PER UNIT					Comments
Total Unit Cost £ per sqm	£1,350,000	£4,375,000	£8,500,000	£42,500,000	£900, £875 and £850 per sqm estimate reduced by economies of scale
Abnormals	£25,000	£80,000	£175,000	£900,000	5% of Build Costs
Enabling Costs	£37,500	£125,000	£250,000	£1,250,000	£25 per sqm
Contingency	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Prelims	£67,500	£218,750	£425,000	£2,125,000	5% of Build Costs
Professional Fees	£135,000	£437,500	£850,000	£4,250,000	10% of Build Costs
Finance Arrangements	£81,000	£262,500	£510,000	£2,550,000	6% of Build Costs
Marketing & Sales Costs	£111,825	£372,750	£745,500	£3,727,500	3.5% of Development Value
Developer Profit	£523,980	£1,746,600	£3,493,200	£17,466,000	16.4% of Gross Development Value
Total	£2,466,805	£8,055,600	£15,798,700	£79,018,500	
Developer Contributions					Comments
44% Off Site Affordable	£350,519	£1,168,398	£2,336,796	£11,683,980	40% of the value of a £132,772 Average Borough Value = £53,109 per unit
10% Renewables	£45,000	£150,000	£300,000	£1,500,000	Estimate of £3000 per dwelling
Energy Efficiencies	£12,750	£42,500	£85,000	£425,000	Estimate of £850 per dwelling
Off Site Highway Improvements	£0	£20,000	£100,000	£500,000	Estimate of Traffic Calming, Crossings, Junctions etc.
Primary Education Provision	£25,575	£85,250	£170,500	£852,500	Estimate of £1,705 per dwelling
Secondary Education Provision	£23,805	£79,350	£158,700	£793,500	Estimate of £1,587 per dwelling
Open Space / Play Provision	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Built Sports Facilities	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
SuDS Provision	£50,000	£100,000	£150,000	£250,000	Estimate of providing on site SuDS Scheme
Green Infrastructure	£3,750	£12,500	£25,000	£125,000	£250 per Dwelling
Total	£518,899	£1,682,998	£3,375,996	£16,379,980	
Total Development Value	£3,195,000	£10,650,000	£21,300,000	£106,500,000	
Total Development Costs	£3,485,704	£11,338,598	£22,674,696	£113,398,480	
Total Development Surplus	-£290,704	-£688,598	-£1,374,696	-£6,898,480	
% Overall Economic Viability	91.7%	93.9%	93.9%	93.9%	

Table 8: 44% Affordable Housing Contribution Development Scenario

APPENDIX 2 – GLOSSARY OF TERMS

Affordability		A measure of what housing is affordable to certain groups of households.
Affordable Housing		Affordable housing is housing designed for those whose income generally deny them opportunity to purchase houses on the open market as a result of the difference between income and the market cost of housing. For further definition see NPPG.
Circular		Central Government guidance
Code for Sustainable Homes		A national standard for sustainable design and construction of new homes. The Code is still a useful method although it is likely to be wound down by the end of 2014.
Commencement of development		The date at which work begins on site.
Community Facilities		A facility that can be used by all members of the community i.e. community centre, phone box etc.
Community Strategy		Provides the planning framework for all services in Hartlepool, including the regeneration and neighbourhood renewal activity. Sets out a long term vision and details the principles and 7 priority aims necessary to achieve the vision and improve services.
Commuted Sum		A sum of money paid by a developer to the local authority to provide a service or a facility, rather than the developer providing it direct.
Design and Specification		Provides precise and explicit information about the requirements for a development design.
Developer Contributions		Relate to the provision of those items outlined within the section 106 legal agreement.
Development Plan Document	DPD	A Local Development Document in the Local Development Framework which forms part of the statutory Development Plan. The Local Plan, documents dealing with the allocation of land, action area plans and the proposals map are all Development Plan Documents.
Economic Viability Assessment		A means by which to assess the profitability of a scheme.
Financial contribution		A cash specific amount of money paid to the local authority.
Green Infrastructure		Green infrastructure involves natural and managed green areas in both urban and rural settings. It involves the strategic connection of open green areas and provides multiple benefits for people.
Hartlepool Local Plan		A Local Plan is a statutory document containing all the planning policies and standards that will

		be used to determine planning applications received by the Development Control Section. The plan is also intended to highlight areas where the Council is seeking to encourage new development within the Borough.
Heritage Asset		A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. Heritage asset includes designated heritage assets and assets identified by the local planning authority (including local listing)
Homes and Communities Agency	HCA	The Homes and Communities Agency is the national housing and regeneration delivery agency for England. Their role is to create thriving communities and affordable homes.
Housing Market Renewal	HMR	An area allocated for improvements to the housing stock either by demolition and rebuild or by refurbishment.
Infrastructure		Can be many things and includes roads, rail, pipelines etc or social provision such as schools.
Intermediate Tenure		This type of housing, also known as Shared Ownership or Shared Equity, enables people to privately buy a share of a property being sold and pay a subsidised rent on the remainder.
Land use		The use that exists on a certain area of land, various land uses could be residential, agricultural, open space etc
Level of Contribution		The value of money or in kind contribution that a developer is required to pay as a result of the development.
Lifetime Homes		Lifetime Homes are ordinary homes incorporating 16 design criteria that can be universally applied to new homes. Each design feature adds to the comfort and convenience of the home and supports the changing needs of individuals and families at different stages of life.
Local Area Agreement	LAA	LAA's are a three year agreement, based on local Sustainable Community Strategies, that sets the priorities for a local area between the Council and other key partnerships.
Local Development Framework	LDF	The overarching term given to the collection of Local Development Documents which collectively will provide the local planning authority's policies for meeting the community's economic, environmental and social aims for the future of the area where this affects the development and use of land and buildings. The LDF also includes the Local Development Scheme, the Statement of Community Involvement and the Authorities

		Monitoring Report.
Local Highway Network		All the roads within the Borough, ranging from the A19 down to local roads within housing estates.
Local Transport Plan	LTP	Describes the long-term transport strategy for the Borough and sets out a programme of improvements to address the identified local transport problems.
Localism Act		The Localism Act has devolved greater powers to local government and neighbourhoods and given local communities more rights and powers over decisions about housing. It also includes reforms to make the planning system more democratic and more effective.
Maintenance		The repair and upkeep of a product.
Market Conditions		The prevailing performance of the economy across all sectors.
Masterplan		A detailed plan of the site and the type of development that would seek to be achieved for the whole site.
National Planning Policy Framework	NPPF	Sets out the national policy situation in one document which replaced the previous Planning Policy Statements and Planning Policy Guidance Notes.
National Planning Policy Guidance	NPPG	The Government has published the NPPG to support the National Planning Policy Framework and to give further guidance to developers and local authorities.
On-site		An area within the planning application boundary.
Open Market Value		The value of a product if advertised on the open market.
Open Space Assessment	OMV	An assessment of the quality and availability of open space within Hartlepool.
Pepper Potting		The principle of ensuring there is a spread of affordable housing throughout and overall development rather than all being provided in one specific area.
Piecemeal		Development that is carried out bit by bit.
Planning Condition		A requirement attached to a planning application to ensure that the development is of a high standard and to help mitigate against any implications an application may have. Conditions can relate to types of materials or assessments that may have to be carried out.
Planning Obligation		A legally binding agreement between the local planning authority and persons with an interest in a piece of land. Planning obligations are used to secure funds or works for significant and essential elements of a scheme to make it

		acceptable in planning terms. Planning obligations will have been set out in an agreement often known as a 'section 106 agreement' and may be used to prescribe the nature of development, to compensate for loss or damaged created by development or to mitigate a development's impact on surrounding built and natural environment.
Pre-application		The stage referred to prior to submission of an application.
Registered Providers	RP	Registered Providers are Government-funded not-for-profit organisations that provide affordable housing. They include housing associations, trusts and cooperatives. They work with local authorities to provide homes for people meeting the affordable homes criteria. As well as developing land and building homes, RPs undertake a landlord function by maintaining properties and collecting rent.
Section 106 Legal Agreement		Legally binding agreement entered into between a developer and the Council.
Section 278 Agreement		Where a development requires works to be carried out on the existing adopted highway, an agreement will need to be completed between the developer and the Council under Section 278 of the Highways Act 1980.
Social Rented		Housing that is rented to a tenant by a Registered Provider.
Strategic Housing Market Assessment	SHMA	Identifies land for housing and assess the deliverability and developability of sites. Provides the evidence base to support the delivery of sufficient land for housing to meet the community's need for more homes.
Subsidy		A form of financial assistance paid to a business or economic sector.
Supplementary Planning Document	SPD	A Local Development Document providing further detail of policies in Development Plan Documents or of saved local plan policies. They do not have development status.
Sustainability Appraisal	SA	Identifies and evaluates social, environmental and economic effects of strategies and policies in a Local Development Document from the outset of the preparation process. It incorporates the requirements of the Strategic Environmental Assessment (SEA) Directive.
Sustainable		To maintain the vitality and strength of something over a period of time without harming the strength and vitality of anything else.
Sustainable Locations		A location that helps maintain the vitality and strength of something over a period of time

		without harming the strength and vitality of anything else.
Tees Valley		Stockton, Hartlepool, Middlesbrough, Redcar and Cleveland and Darlington collectively known as the Tees Valley
Tenure		Tenure refers to the arrangements under which the household occupies all or part of a housing unit.
Threshold		A value at which a contribution would be sought. For example if the threshold is over 10 and a developer has a scheme for 10 houses they would not be required to contribute, however if a scheme was for 10 dwellings a contribution would be required.
Transfer Price		The discounted price at which a developer would transfer a property to a Registered Provider.
Transport Assessment	TA	A Transport Assessment is a comprehensive and systematic process that sets out at an early stage transport issues relating to a proposed development and identifies what measures will be taken to deal with the anticipated transport impacts of the scheme.
Transport Statement	TS	A simplified or basic report in the form of a Transport Statement may be sufficient. A transport statement is appropriate when a proposed development is expected to generate relatively low numbers of trips or traffic flows and would have only a minor impact on transport.
Travel Plans		A Travel Plan is a package of measures to assist in managing the transport needs of an organisation. The main objective of a Travel Plan is to provide incentives for users of a development to reduce the need to travel alone by car to a site.