

# **PLANNING OBLIGATIONS & AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT**

## **MARKET RECOVERY SCHEME, 2011/12**

The following market recovery measures are applicable for planning applications validly submitted between 1 April 2011 and 31 March 2012.

### **INCENTIVE TYPE I: Measures to encourage early delivery of projects during times of economic downturn:**

- Up to 100 % discount on tariff for development of employment uses within the 'B' Use Classes as well as those that generate significant levels of new employment such as hotels and leisure uses (C1 and D1).
- Up to 50 % discount on tariff for other development on brownfield sites.
- Up to 25 % discount on tariff for other development on greenfield sites.
- Up to 50 % reduction of the full affordable housing requirement may be considered, together with the possible use of gap funding to support affordable housing delivery.
- 100% discount on the planning obligations management fee.

The higher potential discount for employment uses is justified on the grounds of economic viability and the urgent need to support employment growth given the continuing fragility of the local and national economy.

The following conditions must be met to benefit from these discounts / flexibilities:

1. The case for these discounts shall be proven, unless otherwise specified below, through an open book viability appraisal which establishes that under current conditions the development may not achieve an acceptable level of viability.
2. Developers must agree to a two-year consent, and to make a substantial start on the approved development within two years of the grant of consent.
3. In appropriate cases, consideration will be given to making the consent personal to the applicant.
4. For strategically significant development proposals, where the affordable housing provision is critical to the achievement of the Core Strategy's Affordable Housing target, the Council reserves the right not to agree to a relaxation of the affordable housing requirement.
5. Flexible phasing of payments of the discounted tariff may be considered where this is justified by the financial appraisal, subject to 'clawback' provisions being incorporated as part of the planning agreement.

The circumstances where a viability appraisal is not required are:

- An application for a C3 use of less than 15 units
- An application for a C4 use of less than 15 bedspaces
- An application for a Sui Generis HMO development of less than 15 bedspaces

**INCENTIVE TYPE 2: Measures to help developers respond quickly to economic recovery by having ‘oven-ready’ consents:**

- Extended planning permission periods to be considered (up to 7 years).
- Flexible phasing of payments of planning obligation requirements.

The following conditions must be met to benefit from these flexibilities:

1. The case for the time extension is to be established through an open book viability appraisal which shows that the development may be unviable under current conditions and that extended permission which includes an assumed improvement in the economy will enhance viability.
2. If actual level of payment is to be determined by end value of development, a ‘clawback’ mechanism will be needed.

**INCENTIVE TYPE 3: Exemptions from the requirement to pay tariff in certain cases:**

No tariff to be charged for developments of less than 5 homes. This is justified on the grounds of encouraging a continuing supply of smaller sites to be brought forward during the ongoing difficult conditions for the residential development sector

(NB: The SPD already provides that commercial developments of less than 500 sq.m. are also exempt from paying tariff).

This is a continuation of measures that were in place during the calendar year of 2009 & 2010.

**In addition to these specific measures, flexible and innovative approaches to service-delivery will be adopted, including:**

- Positive approach to deeds of variation to assist with re-phasing of s106 contributions where this is justified by open-book viability appraisal.
- Improved and quicker pre-application process with opportunity for Council to work with developer on Site Planning Statements to provide clear framework for the planning application.
- An openness to partnership working to help bring forward planning applications for strategic projects identified through the Local Development Framework.

**Requests for consideration under the Market Recovery Scheme should be made when pre-application discussions are initiated with the Planning Service.**