



Housing Infrastructure Fund (HIF)

Recovery strategy for Woking Town Centre: Section 106 tariff

Guidance note

Introduction

Woking Borough Council has secured a Housing Infrastructure Fund (HIF) grant of £95 million from central Government agency, Homes England, which will finance the Victoria Arch scheme, the total cost of which is £115 million. This significant grant is the driving force set to deliver enhanced highways, pedestrian and rail links for Woking town centre and approximately 4,500 much needed new homes.

The A320 Guildford Road is the main arterial road through Woking, and because of the restrictions imposed by Victoria Arch railway bridge and the historic road layout, the area creates a pinch-point for traffic causing significant congestion.

It has been the Council's long held aspiration to address these issues by upgrading the highways configuration and widening the Victoria Arch bridge to benefit all users and unlock development sites for much needed town centre housing.

[Read more about the Victoria Arch scheme](#)

Once the scheme has been delivered, 13 brownfield development sites within Woking town centre will be unlocked by the improved highways infrastructure. Provision of this public money will provide significant benefits for the town centre, so it is fair and reasonable that this development also make an appropriate contribution.

This guidance note sets out how this is intended ahead of a Supplementary Planning Document (SPD) which is currently being prepared by Woking Borough Council.

Recovery justification

The HIF Recovery Strategy seeks to bridge the gap between the total scheme cost (£115 million) and the HIF grant (£95million).

Development in the town centre will be unlocked as a result of the finished Victoria Arch scheme. As a result, housing can be delivered over and above the Council's current commitment, as set out in the emerging Site Allocations Development Plan Document (DPD) by 2030. Future developments will benefit from this significant amount of public investment, so it is fair and reasonable that this development also make an appropriate contribution.

[Read more about the Site Allocations Development Plan Document](#)

Developer contributions to be secured by Section 106 Agreement

Standard S106 tariff applied to

Residential development within the town centre (HIF sites and windfall sites)	£2,000 per unit minimum
Commercial development within the town centre	Assess each development on its own merits

Development will need to make a minimum standard contribution of £2,000 per unit for residential development within the town centre as defined by the proposals map in order for the Council to achieve sufficient funds to bridge the gap between the total scheme cost and the grant.

[View the proposals map](#)

An economic viability assessment study carried out by GL Hearn, on behalf of the Council, includes appraisal modelling which supports a S106 tariff of £2,000 per residential unit, without undermining the economic viability of development.

In order to ensure future development contributes to the cost of the new HIF infrastructure, it is imperative that Government guidance is met which states that Local Planning Authorities (LPA) can only secure S106 where three statutory tests are met:

1. necessary to make the development acceptable in planning terms
2. directly related to the development, and
3. fairly and reasonable related in scale and kind to the development.

The Council is satisfied that the S106 tariff satisfies the above tests. The need for transport improvements at Victoria Arch Bridge has been identified as essential in the Council's Infrastructure Delivery Plan to ensure sustainable development within the town centre.

The Paramics transport modelling provided evidence that the existing highway network is very sensitive to increased traffic levels. The modelling concluded that the proposed HIF infrastructure scheme could unlock additional housing developments in the town centre. Without the HIF scheme the additional capacity is unlikely to be acceptable in transport terms. For this reason the S106 tariff is necessary and needed to ensure the sustainable development of housing and other relevant development at the town centre.

The HIF scheme is also directly related to the development of each site because it will help address the transport impacts of development at each site to make them acceptable in transport terms. It is reasonable and related in scale because it will be applied proportionately to each dwelling unit.

The Guidance Note will be a material consideration in determining planning applications. Planning permission for the development of additional capacity over and above what has already been planned in the Local Plan on the HIF sites are likely to be refused without the HIF scheme. Therefore, it is fair, important, appropriate and justified that development makes a contribution towards the delivery of the scheme to help mitigate the development impacts.

Grampian condition

Developments submitted for planning permission which cannot be accommodated within the existing transport infrastructure, will be subject to a Grampian condition along the lines of:

“...development cannot commence until construction of the new HIF highway and bridge infrastructure has begun*.”

*as determined by the Local Planning Authority.

Timescales

Works on the HIF scheme are already underway and public funding has already commenced.

- Highway Works are anticipated to start in late 2021 and conclude in early 2024.
- Bridge Works are anticipated to start in spring 2022 and conclude in early 2024.

This funding recovery strategy will apply with immediate effect and continue to apply up until at least 2030, when it is expected that the HIF sites would have been delivered.

It is also reasonable to assume that other sites might come forward as windfall sites during the period up to 2030, which contributions would be sought as an additional amount to be recovered.

Affordable housing provision

It is important that the delivered housing meets the nature and type of development in the area. Affordable housing should be an essential component of the mix of housing provided. The Council has carried out a study to demonstrate that the market can absorb the nature and type of housing being proposed.

There is significant unmet need for affordable housing and, as such, its provision is a key priority for the Council. The ability to enable a significant proportion of affordable housing is an essential part of the recovery strategy and should not be overlooked. According to the Core Strategy, the overall average affordable housing contribution as a proportion of the overall housing requirement is 35%.

[Read more about the Core Strategy](#)

Commercial development in the town centre

The HIF recovery strategy Section 106 tariff is not intended to apply as a standard to commercial development.

The Council will assess each commercial development on its own merits to determine if it is possible to recover money from potential land value uplift for developing the sites at the development management stage when a detailed proposal is submitted.

The Council will be using the Trip Rate Information Computer System (TRICS) to assess development impacts and how much could be secured on a case by case basis.

Community Infrastructure Levy (CIL)

CIL remains our primary means of securing developer contributions towards infrastructure across the borough and it will still apply to all sites, including the HIF sites in the town centre. Funds from CIL go towards many other infrastructure requirements, such as park improvements or health centres.

[Read more about the Community Infrastructure Levy](#)

Justification for Section 106 tariff

Outlined below are the justifications for introducing the Section 106 tariff for HIF recovery from housing development within the town centre.

- **Planning Policy CS16 of the Core Strategy.** This deals with the infrastructure delivery required to support development.

[View Planning Policy CS16](#)

- **Council decision.** At the Council meeting, held on 13 February 2020, it agreed the principle of charging a bespoke Section 106 tariff of £2,000 per dwelling on development sites in the town centre which are likely to benefit from the HIF scheme. Delegated authority has been given to the Deputy Chief Executive to undertake the due process to establish the Section 106 tariff for its operational application to day to day planning decisions. The charging of the tariff has the weight of Council support behind it.
- **Supplementary Planning Document (SPD).** For the application of the tariff to be defensible and to withstand any scrutiny if legally challenged, the Council intend to prepare a SPD to provide the policy basis for the day to day application of the tariff. The SPD will set out the amount to be charged per unit, how it will be calculated, how the amount will be secured and the action to be taken if the amount is not paid.
- **Guidance note.** Whilst preparing the SPD**, the Council will publish this interim guidance note to encourage developers/applicants who are submitting planning application prior to the completion of the SPD to pay the tariff. (** Timescales will possibly be affected by the COVID-19 pandemic.)

Monitoring

The Council will continuously monitor contributions being secured against expected income and provide regular updates where relevant.

Conclusion

The Council is satisfied that the recovery strategy is justified and defensible and meets the Government guidance setting out three statutory tests for Local Planning Authorities to meet in securing S106 payments, through the extensive transport modelling work which has been carried out.

This funding recovery strategy will apply with immediate effect and continue to apply up until at least 2030, when it is expected that the HIF sites would have been delivered.