

planning obligations will be tailored to the specific circumstances of the development, having regard to its scale, nature, location and impacts. Any planning obligation must satisfy the statutory tests by being necessary to make the development acceptable in planning terms, directly related to the development and fairly and reasonably related in scale and kind. This approach ensures that obligations are secured only where justified, having regard to the particular circumstances of each application and maintaining compliance with planning policy and legislative requirements.

- 3.4 It is common for a Section 106 agreement to require the landowner to enter into a Section 278 ("S278") agreement with the Local Highways Authority.* A section 278 agreement allows a landowner to fund works on the public highway or to carry out the works themselves (please refer to paragraph 7.10). This is usually necessary to implement improvements to nearby public highways that help to mitigate impacts of the development or to allow for any damage to the highway which occurs during the delivery a development to be remediated.
- 3.5 **Strategic Policy S26** of the City Plan 2040 seeks developer contributions to manage and mitigate the impact of development and sets out the S106 obligations most commonly sought from development.
- 3.6 As S106 obligations are used to mitigate site-specific impacts, S106 agreements will be bespoke and may include additional or site-specific obligations.
- 3.7 **London Plan Policy DF1** sets a strategic priority for using S106 planning obligations to support affordable housing and public transport improvements.

*. Entered under section 278 of the Highways Act 1980

4. Indexation

- 4.1 All financial contributions within this SPD are accurate as of February 2026 and, where applicable, will be index-linked from February 2026 to the date planning permission is granted, and then, any relevant payment trigger point.
- 4.2 Indexation for affordable housing, area security and carbon offsetting contributions will be by reference to the Royal Institute of Chartered Surveyors CIL Index (or other indices specified by national CIL regulations). Indexation for all other financial contributions will be by reference to the Consumer Price Index (CPI).
- 4.3 Any additional planning obligations not set out in this SPD that relate to construction will be indexed, unless stated otherwise, using the RICS index.
- 4.4 Financial contributions required under s278 agreements are assessed on a site-specific basis by the City Corporation's Transport and Public Realm Projects Team prior to implementation of the development and may not be subject to indexation.

5. Viability Assessment

- 5.1 The City Corporation commissioned a Viability Assessment (2026) to determine whether development anticipated during the City Plan 2040 period can reasonably absorb the cumulative costs of planning obligations and CIL liabilities while remaining deliverable.
- 5.2 The Assessment provides robust, high-level, viability evidence in accordance with national policy and guidance, ensuring that planning

obligations and CIL charges are set at appropriate levels to support infrastructure delivery without undermining development viability. It considers the cumulative impact of City of London CIL, MCIL2, the proposed revised CIL instalments policy, the financial contributions set out in this Planning Obligations SPD, and other emerging requirements of the City Plan 2040.



Section 278 agreements

Use Class	Threshold	Timing	Requirement
All	Adverse transport impacts that require alterations or repairs to the adjacent public highway or surrounding public realm after construction or changes required to facilitate the operation of the development.	The initial fee is payable on commencement of development with any excess evaluation and design fees payable following written request. Signing of s278 agreement	Evaluation and Design fee (the amount of the initial fee sought, will take into account the scale of the development, the likely design requirements and the number and length of highways likely to be impacted by the development). Highway works costs (and any maintenance) calculated on a site-specific basis)

7.10 Where a development impacts the highway or surrounding public realm (including during the construction phase), mitigation will be secured through a Section 278 agreement. The City Corporation will be responsible for designing and delivering the highway works to City Corporation highways. The developer will be responsible for all associated costs, including the evaluation and design fee required to define the scope of works and this will be secured in the Section 106 agreement, along with any excess fee that may be necessary to complete the evaluation and design. The design of Highway works can only begin once the design and evaluation payment has been received, and work cannot begin until the Section 278 agreement has been signed by both parties and all costs have been paid.

7.11 Where TfL is the relevant highway authority, developers must enter into the required legal agreement(s) with TfL and cover all associated costs. For smaller contributions, payments towards highway works may be made to the City Corporation, with S106 clauses ensuring the automatic transfer of funds to TfL.

7.12 The City Corporation will also ensure through a S106 agreement, that the costs of:

- Any remedial highway works required for the proper reinstatement/reconstruction of any highway, in the vicinity of a development site, which are damaged in the delivery of a development; and/or
- Any other works necessary to integrate the development with the highway (for example to address a change in levels), are met by the developer.

7.13 The remedial highway works obligation, will allow for the reinstatement of the highway to the condition illustrated by a highway schedule of condition, which is to be submitted before any works commence (where applicable and appropriate to the City Corporation's standards applicable at the time of the necessary reinstatement/reconstruction works). Such works may include but are not limited to works to footways and carriageways, street furniture, drainage, utilities and associated assets, and the

removal of redundant crossovers. Works will only be carried out under the remedial highway works obligation, where they are directly attributable to the development and not captured in the scope of the Section 278 works.

C. Delivery, Servicing and Management Plan

- C.a A DSMP details how delivery and servicing activities will be managed to minimise disruption, reduce congestion, and ensure safety. It includes routing strategies, delivery hours, consolidation measures, and monitoring arrangements to track compliance.

Suggested Contents

The plan should include the following items. This is not an exhaustive list and additional requirements may be necessary on a site specific basis.

- Site Assessment
- Trip and Vehicle Assessment
- Delivery Route & Arrival/Departure Assessment - the location of loading and unloading.
- Freight Consolidation
- Refuse Removal & Management
- Delivery Management
- Swept Path analysis

Further Guidance

[Transport for London - DSMP Guidance](#)

[Transport for London - Freight and servicing action plan](#)

Submission Format

Each submission must:

- Be in an Excel format
- Be structured clearly with section headings and tables where relevant
- Include mapped outputs for any routing or spatial elements.
- To ensure all submissions are standardised any delivery and servicing surveys submitted through the CoL online system must use, or replicate, the City's standardised Excel template and include, as a minimum, the following data fields:
 - Application ID (e.g., unique planning application reference)
 - Address (e.g., address of the development)
 - Date (e.g., date of vehicle's arrival)
 - Arrival time (time the vehicle arrives)
 - Departure time (time the vehicle departs)
 - Vehicle type (e.g., Van, Lorry, Refuse collection vehicle)
 - Delivery or servicing type (e.g., perishable goods, general waste)
 - Delivery type (walk in, collection, direct to site or consolidated)
 - Consolidation efficiency (the number of individual deliveries combined into a single delivery)
- Any surveys to be submitted through the CoL online system

user.

Planning condition - A requirement attached to a planning permission that sets out specific rules or obligations a development must follow.

Planning obligation - A legal agreement under s106 TCPA 1990 securing measures or contributions necessary to make a development acceptable in planning terms.

Section 278 (s278) agreement - A legal agreement under the Highways Act 1980 allowing a developer to fund or carry out works on the public highway to mitigate the impacts of their development (please refer to paragraph 7.10).

Section 73 (s73) application - A planning application to amend or remove conditions attached to an existing planning permission without needing to submit a completely new application.

Section 96A (s96A) application - A planning application to make minor, non-material changes to an existing planning permission that do not significantly affect the development. They are unlikely to require additional planning obligations but sometimes changes to existing obligations will be required, through a deed of variation to a Section 106 agreement already in place.

SME – means small and medium enterprises in Central London Forward boroughs. To qualify as an SME for local procurement purposes, a business should be autonomous (i.e. not be majority-owned by, or be a subsidiary or branch of, a larger concern); and have an employee headcount of 250 or fewer.

Trip - means a single movement of a vehicle to or from the Site for the purpose of delivering or collecting goods, providing servicing or maintenance, collecting waste, or carrying out any other delivery or servicing activity.