



Appendix D

**SUMMARY OF REPRESENTATIONS RECEIVED**

**TO THE PUBLIC CONSULTATION**

**AND RESPONSES AND PROPOSED**

**CHANGES TO**

**AFFORDABLE HOUSING**

**SUPPLEMENTARY PLANNING DOCUMENT**

**(July 2011)**

## Introduction

The Affordable Housing Supplementary Planning Development (July 2011) was published for consultation between 27<sup>th</sup> July to 9 September 2011, a six week period. During this time the document was available in public libraries and on the BoP website.

15 responses were received. These are summarised below, together with a Council response to the views expressed, and any proposed changes to the SPD.

## Responses

### ***Savills on behalf of Talbot Village Trust***

There is support for the flexible approach, so that both funding and viability are taken into account. The document needs to have regard to the NPPF, and as viability is a significant issue for both affordable housing and the current CIL work then these 2 documents should be more closely related.

Amendments are required to the document to reflect changes to PPS3, to recognise further the economic downturn and additional costs arising from CIL, and the current lack of grant support.

The SPD needs to clearly establish the basis for calculations within development models like the 3 Dragon's Toolkit, and could have regard to 2 recommended sources :- the HCA's Economic Appraisal Toolkit and English Heritage's "Enabling development and the conservation of Significant Places".

### ***Council Response/Proposed changes***

An update to the document by way of modifications to the policy text in relation to the RSS, PPS3 and emerging CIL, plus reference to the new affordable rent product and alternative toolkits are added.

The document already refers to the current economic downturn, no further commentary is to be added.

The Borough is flexible in its tenure requirements but it must carefully consider evidence, in order to demonstrate both need and that different tenures are still an affordable product. Registered providers are not permitted to deliver extra affordable rent products above the level they have already agreed with the HCA therefore the Council needs to take this into careful consideration when negotiating a variance on tenures.

The 40% AH is a benchmark level set in the Core Strategy policy PCS6. It can go up or down depending on the criteria and what this establishes. Until this is reviewed it remains non-negotiable as an adopted policy of the Council.

With regard to the toolkit parameters, these are given as a starting point and where agreement is not reached they become subject to professional advice.

### ***Martin Heath of Ravine***

The CIL Viability Study is unsound which in turn means the tariffs will not work. The tariff table does not take account of variations within the areas, or at boundaries, and land values are incorrect with no economies of scale.

There are differences in residential land value due to different tenure mixes in the viability tables and under-estimates of build costs, and this undermines the soundness of the tariff approach.

### ***Council Response/Proposed Changes***

The tariff approach has been in response to developer suggestions, to help alleviate the problems of delivering affordable housing in the 6-10 units bracket (in accordance with Policy PCS6). Scheme viability is still the principle basis for assessing affordable housing but the tariff approach is offered as an alternative to assist delivery.

Boundaries between sub-market areas may be where negotiations occur.

The proposed tariff is a short term measure that will be reviewed, but in the current economic climate it is unlikely that the tariffs would result in lower contributions to the Council.

### ***Rippon Development Services for Inland Homes***

There is support for independent viability assessments as purported in SPD. Paragraph numbering would be helpful it is suggested.

The Council should have *high* regard to the price paid for a site in calculating site viability. If a site is purchased after the SPD is adopted that Affordable housing costs are better known and this is not the case for historic land purchases (ref page 18).

The 15% profit margin is too low and does not reflect the new Governments drive for LPAs to facilitate and encourage development.

Objection is raised to the legal agreement contributions not necessarily being settled before development commences so that further uncertainty would ensue and the overage clause may have the effect of putting a brake on development (ref page 28).

The discounted rate clause is unfair on shared ownership occupiers wishing to "staircase" up to full ownership, and full value (not discounted), over time. (ref page 28).

Appendix E should be widened to include definitions of main terms (like trigger point GDV etc). The SPD should not be adopted before these definitions have been defined and re-consultation has occurred.

### ***Council Response/Proposed Changes***

The negotiation process is the means by which land value and profit margin are considered in the viability analysis, so that there is flexibility. Recent appeal cases have ruled that it is unreasonable to take into account the historical amounts paid for land - it is not considered that there is a need to change the text of the SPD on this point.

With regard to the discount rate the value will always be restricted unless property is repossessed.

Definitions for terms used in the overage clause will be added to the Glossary but it is not felt that anyone has been disadvantaged by not knowing these terms in Appendix E or in understanding the SPD. Council officers have been available to answer any queries, and there is no justifiable delay to further advertising the overage clause which has been in use already.

### ***Tetlow King for the SW RP Planning Consortium***

Affordable Rent within the Affordable Housing definition needs to be reflected throughout the document.

Evidence, such as SHMA and BHM needs updating.

Purchase of the toolkit needs to be lower, otherwise it prejudices those that only buy it once.

The new tariff, whilst principle is welcomed, based upon a m2 formula could lead to smaller units, so that a formula based upon the number of habitable rooms may work better. Further interpretation is required regarding "a view" to avoid dispute at application/appeal stage.

Reference should be made to physical integration of affordable housing and market housing, and that clusters of up to 15 units can achieve such integration and mixed communities.

The HCA Design and Quality Standards are likely to be replaced so that reference should be made to any replacement standards.

A time limit should be applied to Agreements (for eg in relation to overage clauses) to encourage development to come forward rather than incurring delay.

Reference to "in perpetuity" is not reflected in the role of RPs subsection.

The Monitoring and Implementation section needs to be more precise, setting out further monitoring indicators and in line with the Core Strategy, plus how often a review will take place and how affordable housing delivery will be carried out.

### ***Council Response/Proposed Changes***

Affordable rent definition will be referred to in the SPD. In terms of the 'local definition' if this relates to the tenancy strategy then there isn't one as yet so the PPS3 update is relied upon at this stage.

A refresh to the SHMA is currently underway so that new evidence is being produced and this can be referred to in the SPD.

The toolkit cannot be sold for less because it is consistent with the charge made by BBC. The toolkit is an option not a pre-requisite so agents and developers still have a choice as to whether they buy it.

The tariff table has set the parameters at levels considered as the most logical and fairest. There will be discrepancies and in those cases a viability test can still be used. Otherwise it is expected, that in the interests of expediency there will be those developments that are better off using the tariff table.

The impact of uncertainty that an overage clause can have on a site is understood but it does appear to be a fair way to enable consent / development to continue where a scheme has not been able to meet or fulfil all of its planning obligations.

The detail of any overage clause will vary from case to case and will be subject to negotiation. This SPD is therefore not the place to try and set out the detail of any such overage clause as there would be too many scenarios. The basic principle has been set out and should be enough to advise applicants that an overage clause will be used to help satisfy the required policy obligations a development should make.

Expansion is made to the Monitoring and Implementation section to underline its conformity with the Core Strategy, and subsequent guidance is referred to in reference to the current HCA Design and Quality Standards.

The premium put on a development by reason of "a view" to some extent will be determined by estate agents, and their advice can be sought on this so that it could inform the viability analysis if necessary.

### ***Savills for Gallagher Estates***

It is considered that the 15% default profit is too low, and it needs to be flexible.

There is little justification for the overage clause approach, to ensure certainty this should form part of the policy (in the Core Strategy not the SPD).

In principle the SPD is welcomed but where it goes beyond the CS policy (eg overage and ongoing viability analysis) it is not supported.

### ***Council's response/Proposed Changes***

The 15% profit margin is negotiable and is based on the advice of the 3 Dragons consultants. Since it is not a hard and fast figure it is not proposed to amend the SPD.

There is also flexibility with the tenure requirements but the Borough still needs to have regard to the evidence that demonstrates both a need and that different tenures are still within an affordable product. RPs are not permitted to deliver extra affordable rent products above the level already agreed with the HCA, which needs to be considered in any variance of terms.

(Council opinion on the overage clause point is made under the Tetlow King response above).

### ***CYPS***

It is essential that Council Units work closely together to ensure that affordable housing is provided where demand is. There are a rising number of primary school places so accommodation in these areas should reflect this.

### ***Council Response/Proposed Changes***

HCS has little control over where A H sites will come forward but the majority of it will come forward on the Regeneration sites and brownfield land.

### ***Southern Planning***

It is clear in the CIL charging schedule that if residential development meets the proposed CIL charging rates then it will not be possible to provide affordable housing at 40% if at all and this needs to be addressed in the SPD. Whilst it is open for individual proposals to be negotiated with reference to viability this is a lengthy process and may cause delay to development. The recognition in the CIL Charging schedule in relation to reduced rates of affordable housing should be explicitly addressed in the SPD.

### ***Council Response/Proposed Changes***

Both PCS6 and the SPD still follow the "subject to economic viability" guidance and therefore if a scheme meets its other planning obligation requirements by either current S106 or by CIL then an assessed scheme viability will demonstrate whether or not the affordable housing policy should be applied. If the scheme is not viable to be able to contribute then an overage clause will applied. The SPD has already set out how this is dealt with.

### ***Terence O'Rourke***

It is considered that on the basis of the CIL charging schedule information the profit margin is too low, even if it is negotiated.

The SPD says that affordable housing will be negotiated on sites where it can be financially supported but this is at odds with the emerging Site Allocations DPD that suggests regeneration sites must provide it (irrespective of viability issues).

There is support for the SPD over the Allocations DPD on this point.

***Council Response/Proposed Changes***

The Allocations DPD has a strong theme for delivering development and therefore in policy terms a clear message rings out that sites in the Regen Area must make provision for affordable housing in their calculations. The SPD and PCS 6 provide the mechanistic approach to delivery. The SPD remains unchanged on this point.

***Dorset Police***

Commentary is largely in relation to private market housing, and layout design and planning application considerations, rather than the mechanism of delivery. Secured By Design award is upheld and adherence to Code for Sustainable Homes.

***Council Response/Proposed Changes***

Mention is already made in the document about design and therefore no changes to the SPD are proposed.

***The Environment Agency***

The EA would like to see consideration given within Section 6 of the SPD to reference to the SFRA and finished floor levels of development where it is within a flood risk area.

***Council Response/Proposed Changes***

This is a specific matter that would be part of the detailed planning application, so that reference to it at this stage is considered to be outside the remit of affordable housing and its relationship to PCS6 in as far as it related to delivery.

***Highways Agency***

As the SPD has no impact upon the Strategic Road Network no comments are given.

***Council Response/Proposed Changes***

None.

***Theatres Trust***

No comment offered on affordable housing.

***Council Response/Proposed Changes***

None.