

**Reading Borough Council**

**Draft Affordable Housing Supplementary Planning Document**

**Report of Consultation**

**Summaries of Representations and Recommended Council Responses**

**July 2013**

## Draft Affordable Housing Supplementary Planning Document: Report of Consultation

A draft Supplementary Planning Document (SPD) on Affordable Housing was approved for consultation by the Council's Cabinet on 5<sup>th</sup> November 2012. Consultation took place during November and December 2012 with the deadline for the submission of comments being set as 21<sup>st</sup> December 2012.

Reading

| Draft Affordable Housing Supplementary Planning Document<br>Summaries of Representations and Recommended Council Responses |  |  |
|--|--|--|
| Respondent   | Issue/Suggestion raised by Respondent  | Council Response   |
| QUOD on behalf of Sackville Developments (Reading) Limited.  | National Policy and Regulatory Changes. National policy changes have occurred since the Council adopted its Core Strategy in 2008. The background in the SPD fails to recognise principles in the NPPF in relation to the presumption in favour of sustainable development and the need for an up to date evidence base. It should also reflect that the key test for SPD in the NPPF is that they should not be used to add unnecessarily to the financial burden on development. | Noted and disagree. The situation in relation to the changed national policies and the publication of the NPPF is reflected in the Sites and Detailed Policies Document through Policy SD1 which was inserted at the request of the Inspector and avoids any doubt about whether the LDF complies with the presumption in favour of sustainable development.   |
|  | The Background also needs to properly reflect the 2010 Community Infrastructure Regulations and the tests of an obligation set out in regulation 122.  | Partially agree. One assumes that national policy on the provision of affordable housing complies with planning regulations. In accordance with national policy, the provision of affordable housing is necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development. Background will also make reference to compliance with CIL regulations. |
|  | Viability. In paragraph 4.43, the reference to “officers will be prepared...” should be replaced by, “The Council will be prepared...” to reflect the fact that this is the council’s planning policy and that this is the approach of the council.  | Agreed.  |
|  | Paragraphs 2.2 and 4.2 need to make reference to consideration of individual, site-specific circumstances and development viability, to  | Partially agreed. Paragraph 2.2 deleted to reduce unnecessary context. In any case,  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            | ensure an appropriate level of flexibility is applied and development viability is not prejudiced.  | paragraph 6.29 of the explanatory text in the Core Strategy refers to sensitivity to exceptional costs and to up to date planning policy. Paragraph 4.2 simply restates the policy wording. Issues related to flexibility and viability are dealt with adequately elsewhere in the SPD.   |
|            | Paragraph 4.3 and the application of an affordable housing requirement on residential development that does not provide a net increase in the number of dwellings, is flawed and inconsistent with Regulation 122. It is not clear how an obligation towards the provision of affordable housing can be substantiated where no additional dwellings are provided. | Partially accept. Policies CS16 and DM6 are based on housing need and the desirability of creating mixed and sustainable communities. A reduction in the number of affordable dwellings within a site simply because of existing open-market housing stock within the site would fail to achieve this aim and result in a shortfall of affordable housing. It is accepted that the reference to allowing for net additions in relation to flat conversions in paragraph 4.44 may be contradictory as for other residential developments, the policy relates to the gross additions. This is considered separately, but as a result, reference to net additions of flats is deleted. |
|            | The use of the term “existing use value” is inconsistent with best practise and the latest RICS Guidance Note - <i>Financial Viability in Planning (April 2012)</i> . Any reference to ‘land value,’ ‘purchase price’ or ‘existing use value’ should be replaced by ‘benchmark land value.’   | Not accepted. This is independent guidance, not government policy. There appear to be conflicts in this guidance with advice of The Local Housing Delivery Group on EUV or CUV. At the moment, it appears that the use of the term ‘existing use value’ is not incorrect.   |

Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses

| Respondent | Issue/Suggestion raised by Respondent  | Council Response   |
|------------|--|--|
|            |  | <p>See:<br/> <a href="http://www.pas.gov.uk/pas/core/page.do?pageId=575110#contents-3">http://www.pas.gov.uk/pas/core/page.do?pageId=575110#contents-3</a><br/>                     DCLG publication in April 2013 on Section 106 affordable housing requirements uses the term market value and provides a more detailed explanation that will be referred to in the SPD guidance on viability assessments.</p>                   |
|            | <p>Affordable Housing Definition and Delivery. The definitions of affordable housing in paragraphs 4.10 and 4.19 of the draft SPD are inconsistent with the definition provided in paragraph 4.19 of the NPPF. Amend to read:<br/>                     “Affordable housing <del>must shall</del> <u>should include provisions to remain at an affordable housing price for successive generations of future eligible households in recognised housing need. or for the subsidy to be recycled for alternative affordable housing provision.</u>”</p>   | <p>Accepted. Will include NPPF reference for the definition of affordable housing in its glossary, i.e.: “<i>Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.</i>”</p>   |
|            | <p>The draft SPD seeks to set a preference for social rented accommodation. However nationally, Councils and Registered Providers are being actively encouraged to provide affordable rented units to maximise their rental revenue streams and affordable housing delivery. Contradictory positions also presented around the delivery of social rent vs. affordable rent (i.e. paragraphs. 4.14 and 4.16). The draft SPD should not be advocating social rents, but rather should conform with the provisions set in the NPPF and the HCA’s 2011-2015 Affordable Homes Framework, which states that social rent provision will only be supported in limited circumstances, e.g. estate regeneration schemes.</p> | <p>Not accepted. The policy relates to identified needs in the local area and local preferences to meet local priorities. Social or target rent accommodation remains a substantive part of that need and is a priority for the most vulnerable households. SPD embraces other tenure types, Affordable Rent and Intermediate housing and is therefore in accordance with NPPF. The policy on housing does not have to conform</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response  |
|------------|--|---|
|            |  | with the HCA framework; that is a framework for HCA support and funding. Our understanding is that the HCA are not likely to be involved in funding Section 106 sites and will therefore have little or no involvement  |
|            | Paragraphs 4.25 to 4.27 set the Council's expectations concerning the conversion of existing social rented units to affordable rented units. This is not a matter that the draft SPD can influence but is something that a local authority must set out in their Tenancy Strategy. As registered providers are only required to have due regard to this policy, we consider that paragraphs 4.25 - 4.27 are wholly irrelevant and should be deleted. | Not accepted. This is for information to provide clarity for applicants. It is taken from the Council's Tenancy Strategy. The Council believes that applicants should be aware of it in making their proposals as it may have an impact on values. However, information has been moved to an appendix.  |
|            | Paragraph 4.20 seeks to prescribe the title terms governing the transfer of the affordable units to a registered provider. This is immaterial and not a planning issue. The proper application of the definition of affordable housing as set out in the NPPF appropriately secures any affordable housing. This paragraph should be deleted.  | Not accepted. This provision is fundamental to the delivery of the affordable housing and compliance with the planning policy and the NPPF. The local planning authority is entitled to know and to have some control over how the affordable housing is provided and how it will remain at an affordable price for future eligible households. The definition in the NPPF states: " <i>Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.</i> " The council understands that financiers are not happy with restrictive |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response  |
|------------|--|---|
|            |  | clauses in agreements, which is the only alternative where a registered provider is not involved. Reference to this alternative option will be added for clarity and to allow for housing to be provided by a non- registered provider.   |
|            | Paragraph 4.23 does not provide the applicant with the ability to claw back any contributions paid to the local authority, which has not been spent within any prescribed timeframe as set within a Section 106 agreement to ensure the contribution satisfies the test set by Regulation 122 and in accordance with DCLG Planning Obligations: Practice Guidance. | Not accepted. That is a legal provision that may be dealt with in the agreement at the behest of either partner. It does not affect the granting of planning permission which is the purpose of the SPD. It is not referred to in the policy and does not need to be referred to in an SPD.   |
|            | Paragraphs 4.28 and 4.29 seek to introduce a new policy in relation to the design standards applicable to affordable housing, which are not contained in the Core Strategy. These paragraphs should be deleted.  | Partially accepted. 4.28 refers to design standards in accordance with Core Strategy policy CS7. References to other relevant policies (e.g. policies DM4, 5, 10, etc. will be added). Wording in relation to HCA standards will be amended. Paragraph 4.29 relates to the situation where the Council is persuaded to allow provision on a surrogate site. It is intended to be helpful to applicants in the interpretation of the text that accompanies the policy. |
|            | Seeking Affordable Housing for employment floorspace. There is no clear up to date evidence to demonstrate a link between employment and additional housing need, particularly for affordable housing. In this respect we consider that obligations seeking affordable housing from  | Not accepted. Background evidence to the Core Strategy pointed to a large and growing gap between jobs and residents that will result in pressure on transport and housing.   |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            | employment development fail, most if not all, of the Regulation 122 tests.  | More recent data and analysis suggests that the gap between jobs and those who are economically active continues to grow and that additional employment growth has unacceptable impacts that require mitigation. Policy requirement is necessary to support sustainable economic development.   |
|            | The downturn in the economy has resulted in a simultaneous fall in the number of jobs in Reading and a rise in the number of unemployed and economically inactive people. In 2011/12 there are around 1,700 more unemployed people and 3,900 more economically inactive people than there were in 2007 <sup>i</sup> . Reading now has 4,800 fewer jobs than it did in 2007 <sup>ii</sup> . This pool of labour, which amounts to 5,600 people <sup>iii</sup> , could move back into employment without putting any extra pressure on the housing market (as these people already live in the local area). | Not accepted. This representation looks at a single indicator and what, it is hoped, is a relatively short term temporary phenomenon. In any case, as we come out of recession, new jobs will occupy the large areas of unused and underused office space in occupied office buildings as organisations start to rebuild staffing levels. It will not necessarily occupy newly developed floorspace. The plan and its policies are intended to cover the period 2006-2026 which was always going to cover the vagaries of economic cycles. See CS13 Background Paper for fuller recap of the justification for Policy CS13. More recent studies continue to support that justification. |
|            | Underemployment has risen significantly as a result of the recession. An estimated 9% of all employees in the South East are in work but would like to do more hours or an additional job, up from 6.5% in 2005. Getting these people back into work in new employment development would not  | Not accepted. The recession has led to high levels of short term working that will recede once the economy picks up. Much of this underused labour will be taken up within  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response   |
|------------|--|--|
|            | put pressure on the housing market.  | large areas of unused and underused office space in occupied office buildings as organisations start to expand staffing levels. It will not necessarily occupy newly developed floorspace. This will have little impact on the overall conclusion that the gap between jobs and economically active is growing and has unsustainable impacts.  |
|            | The increase in unemployment and economic inactivity means that Reading should be actively encouraging development that creates jobs.  | Not accepted. Background evidence to the Core Strategy pointed to a large and growing gap between jobs and residents that will result in pressure on transport and housing. More recent evidence points to a labour and skills shortage remaining a significant issue. The policy seeks to implement a plan for growth in the period 2006 - 2026 that would inevitably occur over the economic cycle with periods of high growth and periods of low growth. It is accepted that the current economic circumstances have affected growth but all parties need to plan, in line with overall government policy on the basis that economic growth will return in line with forecasts. |
|            | Seeking a commuted sum raises concerns about consistency in terms of compliance with Regulation 122. It is not clear how the Council could seek contributions which are 'fairly and reasonably related in scale and kind to the development'. There is no up to date empirical evidence to provide a | No accepted. Background evidence to the Core Strategy pointed to a large and growing gap between jobs and residents that will result in pressure on transport and housing.   |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent                   | Issue/Suggestion raised by Respondent  | Council Response   |
|------------------------------|--|--|
|                              | means of calculating the impact (and therefore mitigation in the form of contributions) on affordable housing provision.   | More recent evidence points to labour and skills shortage remaining a significant issue. This demonstrates that new employment development increases the labour shortage, some of which must inevitably be made up through the provision of additional housing, particularly affordable housing. More recent studies continue to support that justification.   |
|                              | Pooling of contributions for the purposes of Affordable Housing would also fall foul of the CIL Regulations because it could not be shown that the contributions are directly related to the individual development proposals. | Not accepted. Not altogether clear what this representation is saying. Any contribution will provide subsidy to the provision of affordable housing units off site. Fail to see that pooling would apply to affordable housing provision.  |
|                              | The Council should not pursue seeking affordable housing contributions pursuant to policy CS13 of the Core Strategy. Doing so is contrary to the NPPF (particularly para.153) and the 2010 CIL regulations.                    | Not accepted. Major employment development without mitigating impacts on labour and skills shortages, transport and housing, is not sustainable. Applications failing to provide such mitigation should not, therefore, receive planning permission. Additionally, this SPD is not an opportunity to question or alter the policy itself. CS13 specifically refers to affordable housing and this document is merely interpreting the adopted development plan policy. |
| Barbara Morgan, Network Rail | The Affordable Housing Planning document should set a strategic context requiring developer contributions towards rail infrastructure where growth areas or significant housing allocations are identified close to            | Not accepted. Rail Infrastructure is not a matter dealt with or relevant to the SPD on Affordable housing.   |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent  | Issue/Suggestion raised by Respondent   | Council Response   |
|---|---|--|
|   | existing rail infrastructure.   |  |
| Drivers Jonas Deloitte on behalf of LaSalle Investment Management | <p>We consider that there is a far from straightforward relationship between the provision on new employment floorspace in an area and the creation of demand for additional housing. Therefore, we consider that the approach to determining payments in lieu of affordable housing set out in the SPD is overly simplistic and inappropriate.</p> <p>The relationship between homes is intended to be addressed in the development plan which should allocate sufficient land for jobs and homes to meet the growth objectives of the Borough. Although additional land may go in to employment use through changes of use and redevelopment, at the same time sites will fall out of employment use and be reused for residential. As such, the overall relationship between the two land uses will be constantly changing and it is too simplistic to assume that all new employment development (above the thresholds set in the policy) will lead to an increased demand for housing, including affordable housing.</p> | <p>Not accepted. The Council's Core Strategy was based on evolving national and regional policy which designated Reading as a regional growth point and hub with no ceiling on employment growth. The strategy of unrestrained economic growth is embraced in the Core Strategy despite the fact that there was already a considerable mismatch between jobs and the economically active population. In recognition of the potential impacts and unsustainable consequences of unrestrained economic growth, policies are framed to provide for mitigation of the inevitable impacts of such economic development particularly on skills, transport and affordable housing. Without such mitigation, unrestrained economic development is not sustainable, and restraint policies would be necessary to limit employment growth in balance with housing provision.</p> |
|   | Therefore, it is only net additional employment floorspace on a site that should be considered as possibly needing to make a payment towards affordable housing.  | Largely accepted. Mitigation of impacts will normally be applied to the additional employment on a site so allowance would normally be made for existing employment/ floorspace. Paragraph 4.4 provides guidance   |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response   |
|------------|--|--|
|            |  | that refers to the net increase in employment numbers. Will add reference this being potentially based to a net increase in floorspace. Provide a worked example of how it would be calculated.  |
|            | The new floorspace will not necessarily be occupied by companies who are new to Reading. Often a major occupier will relocate from another premises in the town, thus simply transferring all their additional staff across. These staff will already have homes in the Borough or elsewhere and there is no reason why any stimulus to housing demand will occur.   | Not accepted. The provision of new floorspace adds to the stock of employment floorspace and introduces impacts that need to be mitigated. For movements within the Borough, existing vacated premises will be re-used for employment generating uses.   |
|            | Where a company occupying a new building is new to the Borough, it will not necessarily bring in new staff from other areas. It may do, and this will create some new housing demand. However, it may also recruit staff from the local area who already live locally. Staff will leave one local job to take another, or may be currently unemployed but living locally.  | Not accepted. Sustainable development means that the impacts of development are fully mitigated. Additional employment leads to impacts that need to be mitigated. When people move jobs, they leave posts that need to be filled so it remains a net addition to the employment numbers.  |
|            | All of the above points illustrate that for many reasons there is not a direct correlation between the creation of new employment floorspace and increased demand for housing, including affordable housing. Therefore, the employment impact statement requested by the draft SPD will be extremely difficult to prepare with any degree of accuracy. This will be further complicated by the fact that at the application stage when the employment impact statement is required, many developers will not know who the occupiers of the proposed buildings will be (unless it is a bespoke build for a known occupier). For these reasons we feel that the employment impact statement will be a rather meaningless exercise in | Not accepted. The required impact statement is seeking the provision of an assessment of the likely impact of the proposal and for a proportion of that impact to be mitigated through a contribution towards the provision of affordable housing. As indicated in the responses above, who occupies is not particularly relevant as the additional floorspace provides for increased employment in the borough, adding to the |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response   |
|------------|--|--|
|            | terms of predicting how labour may be sourced and the consequent impact on housing.  | employment gap and the impacts of unrestrained employment growth.  |
|            | The Core Strategy Policy CS13 states that employment development should provide mitigation in line with its impacts on the demand for housing. Therefore, it is very important that there is either a clear and robust method for calculating this impact, or that it is acknowledged that there is not a clear and robust method for calculating this impact at the application stage (and particularly in the absence of actual occupiers), and that therefore that the policy should be applied with caution and flexibility. We consider that the latter is the accurate position and should be adopted in this case.  | Not accepted. The methodology measures the change in employment arising from the proposed development and seeks a contribution towards mitigating the impacts of the increase in employment, solely in terms of a contribution towards affordable housing. Paragraph 4.4.and Appendix 2 provide an example.                                    |
|            | It should be noted that planning obligations should only be sought where they meet all of the NPPF tests (NPPF paragraph 204).   | Noted. In principle the requirements of this development plan policy will lead to an obligation that is necessary, directly related and fairly and reasonably related, depending on the individual circumstances of the proposal.  |
|            | As stated in the National Planning Policy Framework at paragraph 173: In this case the relationship to the need for affordable housing is tenuous and the method for calculating an appropriate contribution is fraught with difficulties. As such, we consider that it is essential that the draft SPD acknowledges these factors and includes text explaining that: <ul style="list-style-type: none"> <li>• the Council will take a flexible and cautious approach and apply the policy to only those schemes where some additional housing demand seems likely;</li> <li>• Any contribution sought will be subject to viability testing to ensure that it does not threaten the viability of any development;</li> <li>• The trigger for any obligation is the point of occupation of the</li> </ul> | Not accepted. Evidence base to the policy and more recent evidence points to a large gap between the level of employment and economically active. The Council is always willing to negotiate and the SPD reflects this along with provisions for viability testing and flexibility over triggers for payments of contributions as appropriate. |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent   | Issue/Suggestion raised by Respondent  | Council Response  |
|--|--|---|
|  | building when the impacts will occur.  |   |
| <p><b>Mark Edwards, Nimbus Property Developments Ltd</b></p> | <p>Paragraph 3.2 - Why was the figure of £60,000 chosen, given even in today's market a person could easily achieve a mortgage of £210,000 which would afford a 3 bedroom house in some parts of Reading. If this higher income figure, was reduced then 1240 household needs would be reduced. Using RBC's own figures [2006-2026 Sites and Detailed Policies Document Housing Trajectory (table)] the 40% would be eradicated within 3 years. Clearly the aspirations and the reality are not synchronised, as this would be impossible to do. The Planning Committee's chairman reflected this in his speech on the 23<sup>rd</sup> October 2012 at the adoption and inception of the DM6/11 policies. This then means that Viability appraisals are the key moving forward, or a different method of calculation should be looked at. I comment on both of these points in greater detail.</p> | <p>Partially accepted. Reference to £60,000 is deleted although this figure represents about the level of h/h income needed to be able to afford to purchase on the open market in the Borough. Private rented accommodation can offer accommodation to lower levels of income. However, high levels of household income are required in the South East where relatively high income h/h may have housing needs due to affordability. Yes h/h can borrow large sums to buy but the need for large deposits are currently a barrier. The figure also relates to a generally accepted view that housing costs should be no more than around 30-33% of net household income. DTZ HNA reports that Catalyst Housing Group is the Local HomeBuy Agent .... Catalyst keeps a register of households who are actively interested in intermediate housing options. To be eligible, households must have incomes of less than £60,000. The figure of 1240 h/h only relates to the number of applicants registering for intermediate products. These represent only a small proportion of the numbers identified as in need of housing. A lot of this detailed context information has now been deleted</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            |   | from the document.   |
|            | <p>Paragraphs 4.32 and 4.33: The number gleaned for percentage based on units are from the height of the housing boom in 2007. The draft concedes contrasting this with 2009, the targets will be less easy to achieve, yet still these are the targets, meaning once again RBC and the developer will require viability appraisals which means more red tape and more adversarial posturing (see note about my own viability appraisal later). None of this is good for either side, and will almost certainly mean more and more appeals going into the Planning Inspectorate where a Planning Inspector will make the decision. This means yet more cost, delay and less housing (and as a consequence less affordable housing).</p> | <p>Not accepted: These paragraphs are taken from the adopted policy which has been subject to consultation and examination and which is now the legal basis for determining planning applications. The plan is designed to apply up to 2026 and is written to account for the ups and downs of economic cycles. Government guidance has elevated the importance of viability and a by-product is, inevitably, more complexity and the need for viability appraisals. Appeals are a part of the planning process.</p> |
|            | <p>While the SPD points to 2009 as being the low point of the market, costs are increasing while prices are not and margins are therefore being squeezed even more in current circumstances with little prospect of improvement. This means that under the policy, every application for housing will have to be subject to viability appraisal which means more red tape and more adversarial posturing (and appeals).</p>   | <p>Noted. See above.</p>   |
|            | <p>The Draft SPD states that commuted sums should be garnered from Gross Development Value (GDV). However, GDV does not take account of a site being brownfield or in a Conservation Area or in a low value area, which affects costs. This again means that a viability appraisal is needed.</p>   | <p>Noted: The inevitable consequence of national planning policy (in the NPPF) making viability a central consideration of the planning process is that viability appraisals will be needed to deal with the differing circumstances affecting individual sites.</p>   |
|            | <p>At a current appeal, the Council's Valuer is putting in values that vary from the information set out in the Council's evidence submitted to</p>   | <p>Noted: Inevitably, values will now be different as the evidence submitted to</p>  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent   | Issue/Suggestion raised by Respondent   | Council Response  |
|--------------|---|---|
|              | justify policy DM6.   | support policy DM6 is now over 2 years old. Viability evidence becomes out of date very quickly in line with changes in sales values, building and other costs, etc. This is a further reason why individual viability appraisals are likely to continue to be needed in relation to individual planning applications.  |
|              | <u>A fairer way?</u> A more equitable way would be cap a developer's profit and go open book at the end to reclaim affordable housing. For example, if there was a cap of 16% on developer profit (less than the 20 to 25% wanted by some developers) but de-risked. The developer would always get that before affordable housing contributions. The council would then get any profit above that up to 5% (i.e. anything between 16% and 21%). Quotes the example of MUSE, a large development that can only afford 5% affordable housing contribution. This had covenants that only kick in once the 16% profit is realised. | Not accepted?? This would not be in accordance with national policy. However, as indicated, Reading Borough Council has been and remains willing to negotiate over requirements and to reach reasoned agreements on how provision might be made in the current difficult economic circumstances.  |
|              | RBC should look at Swindon's and High Wycombe's policies. These are more advanced and are more developer friendly.  | Not accepted: The current policies of these authorities are certainly less ambitious in terms of their targets for provision, but one cannot say that they are more advanced, or even particularly different to the RBC policies. The policies of both those other authorities are now quite old and one could argue do not accord with current government policy with the publication of the NPPF. |
| Paul Bardos. | I would say that I think the requirement for affordable housing on small  | Noted.  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent   | Issue/Suggestion raised by Respondent   | Council Response  |
|--|---|---|
|  | sites seems very onerous...   |   |
| <b>University of Reading - submitted by Barton Willmore.</b> | Where planning obligations are sought, they should meet the 3 requirements of the Infrastructure Levy regulations set out in Regulation 122. The representations made on behalf of the university demonstrate that the SPD cannot meet these tests. | Disagree. One assumes that national policy on the provision of affordable housing is compatible with planning regulations. In accordance with national policy, the provision of affordable housing is necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development.  |
|  | Paragraph 4.3 confirms that the Council will seek AH on the basis of the gross increase in housing. However, perversely, paragraph 4.4 accepts that for conversions to flats, the council will seek AH on the basis of the net increase in housing. | Partially accept. Policies CS16 and DM6 are based on housing need and the desirability of creating mixed and sustainable communities. A reduction in the number of affordable dwellings within a site simply because of existing open-market housing stock within the site would fail to achieve this aim. It is accepted that the reference to allowing for net additions in relation to the advice on flat conversions in paragraph 4.44 of the draft SPD may be inconsistent and contradictory. This is considered in more detail below. Paragraph 4.44 will be removed. |
|  | The SPD cannot refer to gross numbers on site as this does not form part of either policy CS15 did they refer to the wrong policy?? or DM6. The university consider that the calculation should be based on the net increase in housing.            | Not accepted. This is not correct. Policy CS16 specifically refers to " <i>the total number of dwellings</i> ".   |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent  | Issue/Suggestion raised by Respondent   | Council Response   |
|---|---|--|
|   | The Regional Strategy expresses dwelling requirements in the form of net additions, and policy CS14 of the Core Strategy would be read in that context. Policy CS 17 refers to no net loss of residential dwellings. The Council's Annual Monitoring Report considers the net increase in dwellings. CS16 should be read in the same context as the development plan as a whole and the NPPF and should relate to additional net dwellings. | Not accepted. Affordable housing is not about overall numbers but about mixed and balanced communities. This is measured in terms of proportions of the total numbers of properties on a site.   |
|   | Refers to a current planning application at Wells Hall.   | Noted Application recently approved.   |
|   | Policy CS 15 (it should read CS16), is premised upon a calculation of the amount of additional dwellings which needs to be provided in the form of affordable housing. The Housing needs Assessment, 2007, identifies a net shortfall of affordable units.  | Not accepted. See above.   |
| <b>University of Reading -<br/>Notes on viability<br/>prepared by Haslams and<br/>submitted by Barton<br/>Willmore.</b> | Viability. NPPF emphasises deliverability providing competitive returns to willing landowners and developers. It is essential that the SPD recognises the fact that sites will not be released for development unless they are both viable and deliverable in accordance with paragraph 173 of the NPPF.  | Noted: The policies were formulated, subjected to consultation and examination and adopted in the light of viability appraisal and provisions in government guidance. Applications are determined in accordance with adopted policies. |
|   | Paragraph 4.32: add the words, " <u>and will continue to be</u> " after the words, "In addition, the council has been"  | Accepted   |
|   | Paragraph 4.33: add the words, " <u>where development viability was not an issue.</u> " at the end of the second sentence as the targets depend on development viability not being an issue.  | Not accepted. Viability is only one of many material considerations in the determination of an application, albeit it is one with  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response   |
|------------|--|--|
|            |  | increasing importance. Additionally, both the policy and NPPF already provide an appropriate way for this matter to be fully considered.   |
|            | Paragraph 4.34: add the words, “ <u>and landowners,</u> ” after “...and the likely level of cost to developers” in the first sentence to ensure that it is in accordance with the wording in the NPPF.   | Agreed.  |
|            | Paragraph 4.35: add the words, “ <u>there are abnormal development costs, high existing use values or where the landowner or developer would not receive “competitive returns”</u> ” after the words, “Where applicants can demonstrate, to the satisfaction of the council, exceptional difficulties in bringing a site to market.” These are factors that the council also needs to consider as they will affect the viability and deliverability of the proposed development.                             | Not accepted. Paragraph is concerned with sensitivity to exceptional site conditions and costs. The issue of competitive returns is a standard part of the viability assessment and a part of the test in the NPPF.  |
|            | Paragraph 4.36: add the following sentence to the end of the paragraph, “ <u>However, the Council recognises that the development viability of sites should be assessed on their individual merits on a case by case basis.</u> ” This will reflect that no two sites are the same.  | Not accepted. That is essentially what the rest of the Section is saying.  |
|            | Paragraph 4.38: add the following sentences to the paragraph: Once the residual value produced by the proposed development is ascertained, the Council will then consider the competitive return required by the landowner. The Council will recognise that the return to the landowner should be at a level of residual land value sufficiently in excess of the site’s current use value in order to ensure that the landowner is incentivised to release their land for development.” This factor affects | Not accepted. The proposed phrase is irrelevant to this paragraph and, in any case, seeks to provide additional tests to those set out in the NPPF. In addition, DCLG have now published, “Section 106 affordable housing requirements, Review and appeal,” April 2013, The final version of the SPD will have |

Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            | the viability and deliverability of proposed development.   | regard to that guidance, in particular its viability test and the Annex on Viability Reappraisal which summarises potentially relevant key issues for a reassessment of viability, most of which are relevant for a first time viability assessment. The SPD will make further reference to the NPPF commentary on viability at paragraph 173 and following so that applications are considered in the light of that guidance. |
|            | Paragraph 4.40: the words “in exceptional cases” should be deleted. Viability should be assessed in every case.   | Not accepted. This paragraph is not specifically about assessing viability. It is about the Council being willing to be extra sensitive in a case where viability has been assessed and there is a justification for deferring provision. Additionally, the term ‘exceptional’ is used in paragraph 6.29 of the supporting text to policy CS16.  |
|            | Paragraph 4.41: add the following sentence to the end of the paragraph, <u>However, the Council acknowledges that the development viability of each site needs to be considered on a case by case basis, having regard to economic conditions at the time the planning application is considered.</u> This will reflect that no two sites are the same. | Accept. Similar wording added to paragraph 4.41.   |
|            | Paragraph 4.43: add the words, <u>“competitive returns to the landowner and/or developer, and,”</u> following “Therefore, subject to assessments of submitted viability <i>appraisals</i> ..” Unless both the landowner’s and developer’s positions are considered when assessing development   | Partially accepted. Reference to NPPF wording on competitive returns, etc., added to paragraph 4.34. Viability appraisals include analysis of returns to the landowner   |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent   | Issue/Suggestion raised by Respondent  | Council Response  |
|--|--|---|
|  | viability, the land may not be released for development or the development may not be undertaken.  | and/or developer. Inevitably in assessing such appraisals, there will be discussion and negotiation around the issue of “competitive returns.” No need to add unnecessary wording.  |
|  | Paragraph 5.5 should be amended by adding the following wording to the beginning of the paragraph: <u>“Payment of contributions will only be sought upon commencement of development when it is financially viable to do so. When it is not viable to make payment contributions upon commencement of development, contributions will be paid at agreed later stages in the development, if at all.”</u> If the Council insists that payment of contributions are made upon the commencement of the development in circumstances where it would not be financially viable to do so, the development is unlikely to be delivered. | Not accepted. The paragraph is clear and provides adequate flexibility for the wording of agreements in the context of viability.   |
| University of Reading - Representations on Affordable Housing prepare by Pioneer and submitted by Barton Willmore. | <p>Paragraph 2.6 refers to the 2007 Berkshire Strategic Housing Market Assessment (BSHMA) as a material consideration when interpreting Plan policies. However, it is suggested that this has been updated by the 2012 ‘Housing Need Assessment and Affordable Rent Review’ (“HNA”), so why does it remain a material consideration?</p> <p>The “HNA was not properly tested through the public examination process or subject to public consultation. Only preliminary information was presented to the Inspector.</p> <p>Required modification proposed</p>  | <p>Not accepted. The main thrust of the argument is not accepted as detailed below. However, accept that documents do not need to be referred to in this paragraph so delete references along with other editing of Section 1.</p> <p>The HNA update to the BSHMA on affordable housing does not make the BSHMA no longer material. The update was commissioned by Housing Policy Officers and was used in the planning process as it provides more recent information and analysis in the context of the</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            |   | <p>new product, Affordable Rent. It did not change the main, self-evident conclusion of the BSHMA, that there is a high level of need for affordable housing in Berkshire.</p> <p>The BSHMA and the Draft HNA were part of the evidence base that was available to the Inspector and to other participants who made duly made representations to the Sites and Detailed Policies Document. They were available on the Council's website. The final version made no material amendments to the draft version. There is no requirement for formal consultation of documents that make up the evidence base.</p> <p>Requested modification not accepted.</p> |
|            | <p>Paragraph 2.9 should be amended as the target in policy CS16 has not been viability tested in accordance with the NPPF.</p>  | <p>Not accepted: The SDPD Inspector's report was issued following consideration of the contents of the NPPF. While the NPPF provides for a whole plan focus for viability assessments, the adoption of both policies CS16 and DM6 was based on evidence that took account of the costs involved in developing sites in the Borough.</p>   |
|            | <p>Housing Need.<br/>Concern that the overall housing delivery targets for the Borough are insufficient to address the full objectively assessed housing requirements</p> | <p>Not accepted: Going forward, RBC will be preparing a new local plan which will examine objectively assessed needs. Policies</p>  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            | of the area, particularly as the HNA does not provide an up to date assessment of market housing requirements.  | in the Core Strategy provide for very high levels of housing provision compared to past rates of provision and do not limit housing coming forward on appropriate sites. Reading Borough is highly constrained, not least by its tight boundaries.  |
|            | The HNA has not been publicly consulted upon or prepared during the Plan making process thus enabling review during the Examination of the SDP DPD  | Not accepted. As indicated above the updated HNA is part of the evidence base that supports policies in the local plan and it is not (and there is no requirement that it should be) the subject of separate consultation.  |
|            | The HNA is not an SHMA  | Noted: HNA provides an update of the Section on Housing need in the original SHMA   |
|            | <p>Various concerns in respect of the modelling within the HNA including:</p> <ul style="list-style-type: none"> <li>▫The reliance on outdated income data.</li> <li>▫The failure to review occupation trends when assessing newly forming household accommodation choices.</li> <li>▫The acknowledged likely inaccuracy as a result of double counting households in newly arising need.</li> <li>▫The failure to properly reflect the role of the private rented sector in terms of its ability to provide a supply of subsidised rented accommodation:- <ul style="list-style-type: none"> <li>o this is despite evidence suggesting that a significant number of Housing Benefit claimants in Reading reside in the private rented sector.</li> </ul> </li> <li>▫The extremely limited assessment of subsidised rented dwelling size</li> </ul> | <p>Noted and disagree: The HNA was part of the evidence base that, with other material, supported Policy DM6. DM6 is adopted policy. The Council is not aware of any other evidence since the HNA that would suggest that there is not a high level of need for affordable housing in the Borough or that the Policy is no longer relevant.</p> <p>Criticisms of the HNA are noted but, even where they could be shown to be relevant and to have a bearing on the outcome, they are unlikely to have a significant effect on the conclusions that a high level of need for affordable housing is evident in the Borough.</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response  |
|------------|--|---|
|            | <p>requirements:-</p> <ul style="list-style-type: none"> <li>o in the absence of an up to date analysis of the dwelling size requirements of households in housing need it is entirely reasonable for developers to refer to the dwelling size profile set out in the HNA on the basis of the overall Housing Waiting List. This suggests that 83% of applicants are seeking 1 and 2 bedroom housing.</li> <li>▫The lack of a detailed review of the number of households in affordable housing need and who can afford to resolve their housing requirements within Intermediate housing:-</li> <li>o a review of the income data, and the application of housing costs thresholds using the affordability test within the HNA to the modelled gross affordable housing need, followed by a comparison to the HNA Social Rented Intermediate housing supply, suggests that 85% of net affordable housing need is for Intermediate housing.</li> </ul> | <p>Criticisms will be considered in preparation of any new SHMA undertaken as part of the review of the local plan and taken on board where cost effective and they would add value.</p> <p>On dwelling size, the HNA is a desktop analysis of the extent of need in the Borough. This is supplemented by current experience of dealing day to day with actual cases of people with priority needs related to the more vulnerable in society, i.e. households with children, with disabled members, those with infirmities, the elderly, etc. References in the SPD relate to dwelling types for which there are severe shortages in accommodating households with priority housing needs. Priority for larger family accommodation forms a strategic objective in the Council's Housing Strategy 2009-2014. See further analysis below in relation to comments on Paragraph 4.13. HNA methodology reports at pages 9 and 10, that the housing need shortfall identified in the study largely excludes intermediate households. DTZ HNA reports that Catalyst Housing Group is the Local HomeBuy Agent .... Catalyst keeps a register of households who are</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            |   | actively interested in intermediate housing options. ... The figure provided is 1240 applicants registering for intermediate products. These represent only a small proportion of the numbers identified as in need of housing. Analysis of income and rents is simplistic with relatively little supply available at lowest or intermediate rent levels. |
|            | The evidential basis of the statement within the draft AHSPD paragraph 3.1 setting out that there is ‘a particular need for housing for families’ is not identified - the HNA does not provide a detailed assessment indicating such a requirement. The BSHMA is now outdated and unlikely to prove a reliable basis for deriving an appropriate affordable dwelling size mix. This sentence should be deleted.   | Not agreed: The Council’s Housing Strategy 2009-2014, points to larger housing for families being a particular priority. Strategic Objective 1 of the Strategy sets an expected outcome of “Increase the supply of large size family units for social rent.” This priority is therefore in accordance with the Housing Strategy priority.                 |
|            | Paragraph 3.2 of the draft AHSPD is inaccurate and should be amended; the HNA does not demonstrate or state that the purported 932 dwelling shortfall excludes households who have shown an interest in Intermediate housing options. Furthermore, a review of the income data provided within the HNA suggests that the majority (85%) of additional annually arising affordable housing need could be addressed within Intermediate housing (see Appendix 1). | Section 3 has been redrafted and this paragraph will be largely omitted. See discussion above on same point under modelling under HNA.  |
|            | A full, objective, up to date assessment of overall housing requirements needs to be undertaken as a matter of urgency and used to inform a review of Plan wide housing delivery targets. Such an assessment should   | Not accepted. It is planned that a review of the Local Plan will be undertaken in due course. The thrust of most of these   |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            | also be used to inform affordable housing targets, dwelling size and tenure requirements.   | representations is that the evidence base is out of date and can no longer be relied upon. That is not accepted. There has been evidence of a high level of need for affordable housing in Reading for 12 to 15 years. All the HNA's that have been undertaken in Berkshire have resulted in little difference in their conclusions - there is and remains a very high level of need for affordable housing in all parts of this sub region of the County. The likelihood of there being significantly less need since, or a different profile of need since the more recent HNA work, such as to affect the conclusion that there is a high need for affordable housing, is very low. There is no evidence or other reason to suggest that the existing information is no longer relevant or that it is out of date. Matters raised will be considered in the preparation of a SHMA as part of the review of the local plan. |
|            | Paragraph 3.3 of the draft AHSPD refers to the 'lack of affordable housing' as being 'a significant constraint to new employment investment in the area'. However, the up to date evidential basis of this conclusion is not identified. It is also unclear whether 'affordable housing' in this context is to be defined as NPPF compliant affordable housing or whether the statement is more generalised and referring to less expensive market housing options, including housing in the private rented sector. The | Not accepted. Background evidence to the Core Strategy pointed to a large and growing gap between jobs and residents that will result in pressure on transport and housing. More recent data and analysis suggests that the gap between jobs and economically active continues to grow and that additional  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            | <p>Employment Background Paper referred to was published in 2007 and is outdated, and does not provide an analysis which demonstrates that new employment investment is dependent upon an increased availability of NPPF defined subsidised affordable housing.</p> <p>Text in paragraph 3.3 of the draft AHSPD should be altered as follows to reflect that whilst a lack of affordably priced housing may impact upon employment, the evidence base does not demonstrate specifically that a lack of NPPF defined affordable housing places a constraint upon new employment investment.</p>  | <p>employment growth has unsustainable impacts that require mitigation. The failure to make appropriate provision as part of commercial developments will result in unacceptable, unsustainable development that suggests imposing policy limits to new employment development.</p>   |
|            | <p>The Provision of Affordable Housing as Part of Development Proposals it would appear that neither the 50% Core Strategy affordable housing target nor the Housing Strategy aspired 40% affordable housing target have been demonstrated to be achievable in recent years. With difficult economic conditions being forecast by the Bank of England to continue for some considerable time, it is unclear that this is likely to change considerably during the next 5 year Plan period. The policy will therefore be likely to result in every site being subject to viability assessment, and is likely to result in delays as permissions obtained on the basis of a 50% affordable housing provision are either stalled as a result of a lack of viability or necessitate a re-negotiated level of affordable housing provision prior to commencement. Within the context of current Plan policy requirements the deliverability of the 5 year housing land supply is questionable.</p> | <p>Partially agreed: Do not disagree with the assessment that we live in difficult economic conditions. The fact is that the NPPF has elevated viability as a consideration. Inevitably that has implications for determining planning applications involving affordable housing, Section 106 etc. The council is happy to consider constructive approaches to enable viability evidence to be easily presented and assessed.</p> <p>The question of whether a 5 year housing land supply can be delivered is not relevant.</p> |
|            | <p>As a result of the above, The text in the paragraph 4.1 of the draft AHSPD should be altered as follows:<br/><i>"In terms of the NPPF, paragraph 50, Reading Borough Council, has</i></p>  | <p>Not agreed: Do not accept for the reasons set out in other responses above. However, some redrafting of paragraph has been</p>   |

Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            | <p><i>clearly: identified that affordable housing is needed: it has set policies for meeting this need; <del>and the agreed approach contributes to the objective of creating mixed and balanced communities. Adopted policies have been demonstrated to be sufficiently flexible to take account of changing market conditions over time. Policies CS16 and DM6 accord with these provisions of the NPPF. In addition, under policy CS13, contributions towards affordable housing provision <del>may</del> will be sought as part of major commercial proposals involving significant employment where this is necessary to mitigate impacts on the need for affordable housing.</del></i></p>  | <p>undertaken.</p>   |
|            | <p>Target figures for affordable housing provision (pages 7 to 8)<br/>Paragraph 4.3 suggests that the policy approaches to affordable housing delivery relate to the ‘total gross number’ of dwellings to be provided on-site. However, this interpretation is at odds with the policy basis of affordable housing provision at a national, regional and local level.</p> <p>Please see the review of this matter set out within <a href="#">Appendix 2</a> to these representations. This review concludes that it is a consistent feature of both planning policy and guidance on a national, regional and local level that calculations in respect of dwellings are based upon the net increase in provision. This extends to the calculation of the need for affordable housing to be provided as a consequence of development proposals. If this were not the case the impact of policy would be to deter development, prevent regeneration projects from proceeding and impose unnecessary financial obligations on developers. Paragraph 4.3 therefore needs to be amended to reflect an approach that is consistent with the Plan policy and national guidance context within which the draft AHSPD is to be applied.</p> | <p>Not accepted. Policies on housing are exclusive of policies on affordable housing. Fully accept that policy on housing provision is concerned with net additions of housing and monitoring, etc., is undertaken on that basis. However, national planning policy on affordable housing policy is not concerned with numbers; it is primarily concerned with achieving the aim of mixed and sustainable communities. The NPPF makes no reference to the need for a different approach to affordable housing provision where dwellings exist within a site. There is no other national policy basis for calculating affordable housing requirements on the basis of net additions. This approach would not comply with Policy CS16 which clearly refers to the “total” number of dwellings. There is no</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            | In para. 4.3 delete: <i>The policy relates to the total gross number of dwellings provided on the site. There is no allowance for the replacement of existing dwelling units on a site.</i>   | equivocation in the words used in the policy.  |
|            | Paragraph 4.4 of the draft AHSPD refers to the applicant undertaking an assessment of housing demand arising from employment proposals. However, such matters should already be fully accounted for and objectively assessed within the Council's own evidence base, which should reflect planned employment and housing requirements arising in the area for the Plan period. Where the Council has negated to undertake such an assessment National Guidance does not support that the onus for an assessment should be placed upon development applicants; such an approach will not provide a cohesive, full and objective assessment of the housing requirements in the area in accordance with the NPPF and the objective of planning for Sustainable Development. Paragraph 4.4 should be amended to remove this obligation. See suggested text: | Not accepted. The impacts of employment on the need for housing is discussed above. This representation fails to quote any specific requirement from national guidance for a council to provide an assessment of housing demand arising from individual employment proposals. It is difficult to see how a council would make such an assessment when it is not aware of the employment proposals likely to arise when it draws up its plans? Where does national guidance assert that it does not support the onus for such an assessment? The NPPF is silent on many issues because it supports the principle of localism and for many issues to be determined locally to meet local conditions and expectations. This is adopted policy and the requirement is necessary to support sustainable economic development. |
|            | Paragraphs 4.9 to 4.11 of the draft AHSPD should be deleted - these largely re-state the NPPF affordable housing definitions albeit lacking some of the key terms included in the definitions. As such, the inclusion of these paragraphs is unnecessary and inappropriate.   | Not accepted. These paragraphs reflect the NPPF definition but indicate the local situation. In the era of localism, planning guidance should reflect the local situation. Nothing in these paragraphs contradicts the   |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            |   | NPPF. This section will however be edited anyway.   |
|            | <p>In paragraph 4.12 the wording states that Affordable Rents can be too expensive for ‘many’ households in affordable housing need in Reading. However, this conclusion is misinformed as the Affordable Rent can be provided with rents of between Target Rents (as applicable to Social Rents) and 80% of local market rents. As such, it is entirely possible for Affordable Rent to have housing costs in line with Social Rent, the Homes and Communities Agency 2011-2015 Affordable Housing Framework simply seeks that robust reasoning for any reduction from the 80% maximum is provided.</p> <p>However, the Council’s evidence base (which fails to review how Housing Benefit will assist households where means testing suggests assistance is required) does not robustly demonstrate that Affordable Rents provided at 80% of local market rents will be unaffordable to households in affordable housing need. The Council’s 2011/12 evidence base is considered in Appendix 1 to these representations. As social housing the Affordable Rent tenure is not subject to Local Housing Allowance caps or rates, but benefit payments are assessed in the same way as they are in respect of Social Rented housing. The Household Benefit cap will only be applied to households who are not exempt from it and which contain members of working age none of whom work (part or full time). This incentivises individuals into work and reduces the risk of benefit reliance. Paragraph 4.12 should be amended to reflect evidentially supported conclusions.</p> <p>In paragraph 4.12 omit <i>Affordable Rents are often too expensive for many of those identified as in housing need in Reading.</i></p> | <p>Not accepted. Again, these comments relate to HCA operations, but it is likely that Section 106 sites will not receive HCA funding and so often not relevant. The paragraph explains the Council’s position although accept that it could be made clearer, i.e. that it is referring to Affordable Rent at 80% market value as being too expensive for many. Will rephrase to make clear that Affordable Rent at lower levels of market value, equating to Target Rents, or thereabouts, will be sought.</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            | <p>The claim within paragraph 4.13 that the ‘main priority’ affordable housing need is for ‘larger family housing’ is not evidentially supported and should be deleted (see Appendix 1). The limited assessment of dwelling size requirements in the 2011/12 HNA suggests that 83% of applicants on the Housing Waiting List are seeking 1 and 2 bedroom dwellings. There is no analysis of priority current and future arising dwelling size needs. The under provision of sufficient 1 and 2 bedroom dwellings will frustrate the opportunity to re-house under occupying households in dwellings appropriately sized to meet their needs and who are either: i) likely to be impacted upon by welfare reforms in respect of Housing Benefit payment and under occupation, or, ii) older person households who could be incentivised to downsize thus freeing up larger family homes.</p> | <p>Not accepted. This repeats arguments made earlier. The Council’s Housing Strategy 2009-2014, points to larger housing for families being a particular priority. Strategic Objective 1 of the Strategy sets an expected outcome of “Increase the supply of large size family units for social rent.” Accept that numerically there is a substantial need for smaller accommodation but larger properties are needed as a priority for some of the more vulnerable households, particularly families with children. A very simple analysis of waiting list data shows that: 22% of voids created in 2012/13 were 3 and 4 beds which equates to 58 properties. There are 1589 households waiting for 3+ beds representing 16.66% of the waiting list. This means that we can only rehouse 3.7% of households waiting for 3+ beds each year. The turnover of larger sized properties is far less frequent than 1 and 2 beds - so whilst the numbers requiring larger sized accommodation may be less, it is probable that those more vulnerable applicants have to wait longer for suitable accommodation. This is a legitimate local priority.</p> |
|            | <p>Similar concerns apply in respect the evidential validity of the wording in</p>  | <p>Not accepted. The opinion that the BSHMA</p>  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response   |
|------------|--|--|
|            | <p>paragraphs 4.14 and 4.15 (see Appendix 1). The preferences for Affordable Rents to be restricted to 50% of local market rents and for 3 bedroom dwelling housing costs to be restricted to Target Rents are not robustly evidenced; the HNA does not have regard to up to date income data or to the availability of Housing Benefit assistance for social sector housing. The 2007 BSHMA and Reading Housing Needs Assessment are outdated.</p>  | <p>and HNAS are outdated is noted but is not accepted. Such studies are to support the development of policy. An SPD is an interpretation and clarification of adopted policy. It does not need a new evidence base.</p>   |
|            | <p>Paragraph 4.15 inappropriately refers to Affordable Rent as Intermediate housing - this is contrary to the NPPF definitions of these tenures. The 50:50 subsidised social housing and Intermediate housing split should be referred to as a minimum Intermediate tenure proportion given that a review of the data relied upon within the HNA suggests that the majority of the net affordable housing need could be addressed within an Intermediate tenure at a range of Intermediate housing costs.</p>  | <p>Not accepted: It is not accepted that the paragraph inappropriately refers to Affordable Rent as intermediate housing. It splits affordable rent between higher subsidy housing where the affordable rent is provided are relatively low proportions of market rent and lower subsidy housing where the affordable rent product is provided at 80% of market rents or similar. The council does not accept that the majority of the need could be addressed within intermediate housing. Other issues addressed previously.</p> |
|            | <p>Paragraph 4.16 refers to the Council's draft Tenancy Strategy and the aspired imposition through this upon Registered Providers to only let 1 and 2 bedroom properties at an Affordable Rent, and for this to be set no higher than the Local Housing Allowance rate (i.e. set at the 30th percentile of local market rents). Similar approaches are included within paragraphs 4.25 and 4.26 of the draft AHSPD - seeking that three bedroom homes or larger are let at target rent levels and are precluded from conversion to Affordable Rent at re-let, and seeking to restrict the level</p> | <p>Partially accepted. The Tenancy Strategy, produced by the Councils Housing Section has been adopted. This information will be transferred to a separate appendix to provide clarity for applicants. They summarise matters that affect the management and operation of any affordable housing. The Council believes that applicants should be</p>   |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response  |
|------------|--|---|
|            | of such conversions within existing 1 and 2 bedroom housing. However, these preferences stem from the summary of affordability in the draft Tenancy Strategy, which is based upon HNA conclusions and is therefore unreliable and evidentially unfounded for the reasons highlighted within Appendix 1 and summarised at Section 3.0 of these representations above.   | aware of such provisions in making their proposals.   |
|            | <p>The references within the draft Tenancy Strategy to the Local Housing Allowance rates are irrelevant to Affordable Rented housing (which is social housing and occupants are not paid Housing Benefit via the Local Housing Allowance scheme),</p> <p>vi) the Household Benefit cap will, as already noted, only be applied to households containing members of working age and within which no member (deemed physically able to work) is employed (either part or full time), and,</p> <p>vii) such a stance conflicts with the NPPF, is injurious to scheme viability and appears to be based upon a flawed interpretation of research undertaken by DTZ in February 2012 (i.e. the HNA) which has not been made available for public consultation nor subjected to independent examination.</p> <p>The draft Tenancy Strategy should be amended to remove these restrictions and paragraphs 4.16, 4.25 and 4.26 should be deleted from the draft AHSPD.</p> | Partially accepted. The Tenancy Strategy, produced by the Councils Housing Section, has been adopted. Paragraphs 4.25 and 4.26 were for information to provide clarity for applicants. The Council believes that applicants should be aware of it in making their proposals. This information will be transferred to a separate appendix to provide clarity for applicants. |
|            | The implications of badly drafted and unduly restrictive Tenancy Strategies should not be underestimated given the influence these exert on Registered Provider tenancy policies and therefore affordable housing delivery via section 106 contributions. Clearly, where the Tenancy   | Partially accepted. The Tenancy Strategy, produced by the Councils Housing Section, has been adopted. This information will be transferred to a separate appendix to provide  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response  |
|------------|--|---|
|            | <p>Strategy is drafted in such a way that it seeks to restrict the range of NPPF compliant affordable housing options that can be provided and apply additional burdens to development outside of the Plan process, it is likely to frustrate the delivery of housing overall. As a result the entire Development Plan will be put at risk, potentially rendering Housing policies out of date and resulting in a reversion to the Presumption in Favour of Sustainable Development.</p>   | <p>clarity for applicants. They summarise matters that affect the management and operation of any affordable housing. The Council believes that applicants should be aware of such provisions in making their proposals.</p>  |
|            | <p><b>Affordable Housing - Sizes of Provision (pages 10 to 11)</b><br/>The Council includes a preference in paragraph 4.17 for the 'range and mix' of affordable housing to reflect 'identified local needs' - it is unclear how the Council will assess that this objective is met by proposals, or how applicants are to determine that their proposals align with this aspiration, given that the evidence base does not review affordable housing needs at a sub-area level. The draft AHSPD should identify the objective assessments of current and future affordable housing need in respect of localities within the borough that should be referred to, or if local assessments are unavailable seek to ensure that such assessments are undertaken.</p> <p>Paragraph 4.17 also expresses the Council's preference for the prioritisation of 'larger 3 and 4 bedroom' affordable housing - as already stated and reviewed in Appendix 1 this is not evidentially demonstrated to be the most pressing affordable housing need in the borough and certainly does not reflect the huge numerical emphasis within the Housing Waiting List upon 1 and 2 bedroom housing (as set out within the HNA). Paragraph 4.17 should be amended to reflect this.</p> <p><b>Suggested Text Changes to paragraph 4.1</b></p> | <p>Not accepted: Reading Borough is a very small district in land area and does not have sub area levels or the ability to differentiate different needs in different areas. Development opportunities are unevenly spread, primarily in Central and Southern areas. They, therefore have to serve the needs of the whole borough. Sub area assessments would not serve any purpose.</p> <p>Not accepted: The Issue of family housing dealt with above.</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            | Given that paragraph 4.17 seeks that local affordable housing needs are provided for, the draft AHSPD should identify the objective assessments of current and future local affordable housing need in respect of sub-areas within the borough that should be referred to when preparing proposals, or, if local assessments are unavailable, the Council should seek to ensure that such assessments are undertaken.   | Not accepted, see above  |
|            | <p>Priority Housing Needs (page 11)</p> <p>Paragraph 4.18 sets out a wish list of types and tenures of affordable housing including specialist housing, adapted housing, and bungalows, and suggests that these ‘finer grained’ priorities for housing are identified within the Housing Waiting List and the draft Tenancy Strategy. It is also stated that these priorities may be amended via the Housing Strategy. These sources are not SHMA and do not represent an objective assessment of current and future net affordable housing need.<br/>Suggested text changes for para 4.18.</p> | Not accepted: Sources are derived from local housing needs assessments as evidenced by the Council’s housing needs section the role of which is to deal with, assess and provide for priority needs in the Borough. The SMHA and HNA are desk top studies using available demographic and other data. They do not necessarily reflect the day to day pressures and experience. Experience shows that voids for these needs are very low and, without some priority, these very vulnerable households will have little chance of being adequately housed. |
|            | <p>Securing long term use of affordable housing</p> <p>Paragraphs 4.19 and 4.24 should be amended to align with the NPPF definition of affordable housing - this does not require the retention of affordable housing in perpetuity, but refers to the recycling of subsidy. The Community and Infrastructure (“CIL”) Regulations in respect of Social Housing Relief support the stance that affordable housing is not intended to be retained in perpetuity - Regulation 53 applies a ‘claw back’ period</p>  | Not accepted: Another partial quotation! NPPF states: <i>“Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.”</i> Change wording to reflect this definition. Do not accept need to change Paragraph 4.24.  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            | <p>during which CIL social housing relief can be reclaimed if the affordable home to which it relates ceases to be a qualifying dwelling, and this extends to 7 years.</p> <p>In paragraph 4.19 the draft AHSPD states that the Council will ‘generally secure provision of affordable housing through a Section 106 Agreement’. However, whilst this can be referred to as a preference, it cannot be imposed prescriptively by the Council, and contributions may also be secured by way of a Condition (as demonstrated in the recent Secretary of State appeal decision in respect of Land West of Shinfield2).</p> <p>Paragraph 4.20 contains a preference for the freehold in serviced land or completed dwellings to be transferred to ‘a registered HA’ - again this preference should be applied in the context of the NPPF definition which does not specify that affordable housing must be owned by a Registered Provider. Paragraphs 4.21 to 4.22 set out the Council’s strong preference that developer’s work with the Council’s partner Registered Providers.</p> <p>Whilst it is acknowledged in the draft AHSPD that the Council cannot prescribe providers, it is suggested by the wording of the AHSPD that the Council will be unlikely to be supportive where affordable housing is provided by non-partner Registered Providers. However, it remains the position (as set out within the Affordable Housing policy statement ‘Delivering Affordable Housing’ which remains extant) that the Council should not seek to impose restrictive practices which will inhibit innovation and competition between providers. As such, the preferences expressed in the draft AHSPD should be applied with this in mind.<br/>Suggested new text for para 4.19</p> | <p>CIL is not in place and not relevant to the issue of providing affordable housing as part of a planning proposal. Section 53 is concerned with social housing relief from CIL charges where social housing relief from CIL has been granted.</p> <p>Paragraph 4.19 sets out how Reading Borough Council will generally secure provision... It is advice/guidance to applicants making an application to Reading Borough Council. It does not rule out other means but reflects Reading Borough Council’s expectation and preference. There are significant issues with the use of conditions to secure affordable housing. For a local authority an agreement will always be preferable. However, accept some of the suggested amendments to the paragraph.</p> <p>Similarly, Paragraphs 4.20 to 4.22 express the Council’s expectations/preference. 4.20 states, “will normally wish to see...” But for any alternative means of provision, the Council will want reassurances that alternative forms of provision will provide affordable housing that fully meets the definition. Wording that will enable provision</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response  |
|------------|--|---|
|            |  | by providers who are not registered providers will be added.  |
|            | <p>Conversions upon re-letting (pages 12 to 13)<br/>Paragraph 4.27 is unnecessary as Registered Providers will be required to operate within the constraints of a Homes and Communities Agency contract if they are to be able to provide any Affordable Rented housing, and information in respect of the conversions is reflected within lettings data submitted via the Continuous Recording System and therefore publicly available (as required by 'The Regulatory Framework for Social Housing in England from April 2012', published March 2012 by the Homes and Communities Agency). As such, paragraph 4.27 should be deleted.</p>  | <p>Partially accepted. With reference to some of the discussion above, this emphasises why it is preferable for Registered Providers should be involved rather than alternative providers.<br/>Paragraph 4.27 reflects the Council's current expectations. It is information that is useful for developers/applicants to be aware of but accept that it is not a specific planning requirement. Most of this section will be transferred to an appendix containing relevant advice from the Council's Tenancy Strategy.</p>       |
|            | <p>Design and Standards of Housing (page 13)<br/><br/>In paragraph 4.28 the draft AHSPD states that new affordable housing will be expected to meet minimum standards (including in respect of floor space and room sizes) and states that housing to be transferred to Registered Providers 'should, as a minimum, meet the former Housing Corporation "Scheme Development Standards" (or any updated standards)' in addition to standards set out within the Council's planning policy. However, there is no higher level local policy requirement for affordable housing (to be transferred to a Registered Provider or otherwise) to be designed / constructed to achieve Homes and Communities Agency Design Quality Standards.</p> | <p>Partially accepted. Again the SPD is expressing the Council's preference - "expected to meet...." It would be pretty poor housing if it doesn't meet those minimum standards and the Council would find it difficult to accept that such housing meets local needs. In addition, why should the Council accept lower standards of quality than the HCA accepts? But as with all these things it is a matter of fact and degree and a matter for negotiation and consideration as part of the planning application process.</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response   |
|------------|--|--|
|            | <p>The draft AHSPD does not reflect the NPPF requirement that:</p> <p>Local standards should be set out within the ‘Local Plan’, and Supplementary Planning Documents should not be used to impose additional burdens upon development, the costs informing viability are to be assessed at the Plan making (i.e. Core Strategy) stage, and the ‘cumulative’ impacts of ‘existing and proposed local standards’ should not jeopardise the implementation of the Development Plan.</p> <p>The Government has made it clear that it wants to reduce duplication of standards and ensure cost effectiveness; alterations to standards will be checked in terms of viability and introduced centrally via Building Regulations (paragraphs 2.295 and 2.296 - ‘The Plan for Growth’, March 2011). The imposition of a standard such as this has also been considered at appeal (albeit prior to the NPPF) and it has been concluded that such an obligation fails two of the tests set out in the now cancelled Circular 5/05 and which are now set out within paragraph 204 of the NPPF.</p> <p>The Council cannot impose the approach set out within paragraph 4.28 upon developers where affordable housing is being delivered without the input of public subsidy, albeit it may be a matter for negotiation. Paragraph 4.28 should be amended to reflect this.</p> | <p>Proposals that do not meet HCA HQI standards are unlikely to be eligible for HCA funding in the future. Schemes often receive planning permission years before they are built. Funding regimes alter over time as does the availability of grant. Proposed developments often change hands and any proposed sub-standard housing would be excluded from obtaining available grants. Our experience is that most developers now accept these standards for affordable housing. Failing to meet these standards is therefore also very short sighted. Some rewording of paragraph will be undertaken.</p> |
|            | <p><b>Provision of Affordable Housing on Surrogate Sites (page 11)</b></p> <p>The wording in the second bullet point within paragraph 4.29 should be clarified to reflect that the mix of affordable housing to be provided as an off-site contribution should be similar to the mix of affordable housing on the contributing site - currently the wording is unclear and could suggest that the mix of affordable housing to be provided off-site should reflect</p>   | <p>Largely Accepted. Agree that the wording could be clearer. Again, the Council is setting out its preferences and expectations to ensure that applicants/developers are clear about them.</p>  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            | <p>the overall housing mix on the contributor site. However, market and affordable housing mix requirements are likely to differ substantially and the imposition of a blanket requirement such as this will restrict the ability of developers to provide affordable housing to address housing need and market housing to meet market demand.<br/>Paragraph 4.29 of the draft AHSPD should be amended as suggested.</p>   |   |
|            | <p><b>Financial Contributions / Commuted Sums in Lieu of on-site provision (pages 13 to 14)</b></p> <p>Paragraph 4.31 of the draft AHSPD refers to commuted sum payments and refers the reader to ‘Addendum 1’ attached to the draft AHSPD for additional detail on the calculation of commuted sums. Unfortunately, the approach detailed within ‘addendum 1’ does not accord with the NPPF paragraph 50 and paragraph 204. The NPPF retains the approach set out within its predecessor PPS3 and requires that any off-site or commuted sum payments in lieu of on-site provision are to be ‘broadly equivalent’ to the contribution that would have been made on-site. As such the cost to the developer should reflect the level of subsidy that would have been required from them had the provision been made on site.</p> <p>In addition, the approach taken by the Council (i.e. seeking to base the affordable housing contribution on the contributing site with 100% market housing provision) results in an inflated level of affordable housing contribution to that which would have been made on site. This has previously been found to inappropriate at appeal, and whilst the appeal is dated the relevance remains given that the ‘broadly equivalent’ wording</p> | <p>Partially accepted? 4.31 and Appendix amended to refer to a calculation for commuted sums that will be ‘broadly equivalent’ to the contribution that would have been made on-site.</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            | <p>has been retained within current national guidance.</p> <p>Where the level of subsidy sought by the Council (calculated on the basis of the level of subsidy the Council has assessed a provider will require to provide an additional dwelling at an alternative location, and based on the gross development value of the site in question assuming 100% market housing) exceeds the cost to the developer had the provision been made on site then this will fail to reflect national guidance, and is unlikely to meet the tests within paragraph 204 of the NPPF and CIL Regulation 122 (i.e. necessary, directly related to the development, and fairly and reasonably related in scale and kind).</p> <p>Paragraph 4.31 and Addendum 1 of the draft AHSPD should be amended / re-worked to reflect the NPPF, to ensure that the level of affordable housing contribution is of a 'broadly equivalent value' to that which would have been made on-site.</p> |   |
|            | <p><b>Viability of Provision (pages 14 to 16)</b></p> <p>The following concerns are raised in respect of the development of the draft Affordable Housing Supplementary Planning document where it draws upon the Core Strategy Policy CS16:</p> <ul style="list-style-type: none"> <li>• A Viability Assessment of the proposed affordable housing targets and thresholds was not reviewed as part of the Core Strategy Examination Process, and such an assessment is not listed as a Core Document for that Examination.</li> <li>• Reference is only made by the Inspector to previous trends in respect of</li> </ul>   | <p>Again this misunderstands the legal basis of the planning system. Policy CS16 is part of the adopted Core Strategy. It is part of the development plan. The consultation on the SPD is not a mechanism for discussing the merits, soundness or any other aspect of the adoption of policy CS16. Legally, the policy is in place; it was based on evidence; it is the basis for determining planning applications and the time for challenging it has long passed. In any case, the policy is compliant</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response   |
|------------|--|--|
|            | <p>the levels of delivery achieved, and to a Housing Background paper. The Housing Background paper does not include or constitute a Viability Assessment and it is unclear that the previous delivery trends referred to within Housing Background paper represent a realistic assessment of likely future levels of delivery.<sup>5</sup></p> <ul style="list-style-type: none"> <li>• Reference is made by the Examining Inspector to ‘work’ having been ‘undertaken’ during 2003/04 in respect of Viability, but this work would have been dated at the point of the Core Strategy Examination (and is now 8 years old) and the detail of the work was not consulted upon / reviewed by the Inspector as part of the Examination.</li> <li>• The Core Strategy affordable housing policy has not been developed in accordance with the NPPF requirements, and is in significant conflict with the Plan Making section of the NPPF: <ul style="list-style-type: none"> <li>o An assessment of the ‘likely economic viability of land to meet the identified need for housing over the plan period’ was not undertaken (see paragraphs 159 and 173 of the NPPF).</li> </ul> </li> </ul> <p>Subsequent viability assessments will not remove this conflict from the original plan making process and render the Core Strategy NPPF compliant - the Plan policy approach needs to be reviewed through the appropriate statutory processes.</p> <ul style="list-style-type: none"> <li>o The NPPF states that infrastructure and development policies should be planned at the same time (and ‘kept under review’) to enable the</li> </ul> | <p>with NPPF<sup>1</sup>. This consultation is about how the SPD interprets the adopted policy in practice. What happened at the examination or what the Inspector considered is now not relevant as the period for challenge of the policy or the adoption of the Core Strategy ended in 2008.</p> <p>The University can constructively argue that since the Core Strategy was adopted in 2008, circumstances have materially changed and the implementation of policy CS 16 as written should be weighed against and have regard to those changes.</p> <p>Mostly the argument here is that the plan was adopted before the NPPF and it’s policies cannot therefore be in accordance with it. Work has been done to assess the Council’s policies against the NPPF.<sup>2</sup> However, that does not mean that the Core Strategy is not part of the development plan.</p> |

<sup>1</sup> [http://www.reading.gov.uk/documents/servingyou/planning/local\\_development\\_framework/22480/Reading-Borough-Council-Response-NPPF-Issues-0512.pdf](http://www.reading.gov.uk/documents/servingyou/planning/local_development_framework/22480/Reading-Borough-Council-Response-NPPF-Issues-0512.pdf)

<sup>2</sup> [http://www.reading.gov.uk/documents/servingyou/planning/local\\_development\\_framework/21153/CTP-001-Council-Response-to-Inspectors-Questions-Day1AM.pdf](http://www.reading.gov.uk/documents/servingyou/planning/local_development_framework/21153/CTP-001-Council-Response-to-Inspectors-Questions-Day1AM.pdf)

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            | <p>cumulative cost impact of such burdens upon development to be assessed collectively;<br/>this includes CIL charges, affordable housing and any other standards. The Core Strategy does not accord with this and requires urgent review.</p> <p>o The Core Strategy Policy CS16 wording does not state that viability will be taken into consideration at a site level, and thus is inflexible in addition to including a target that was not subject to viability assessment and examined on this basis. Supporting text refers to site level viability assessment, but this is not Policy.</p> <p>The NPPF is clear that only Plans with a ‘limited degree of conflict’ can continue to be ascribed ‘full weight’ - the Core Strategy policy CS16 exceeds a limited degree of conflict, and is therefore only eligible for ‘due weight’ to be ascribed, reflecting the degree of conflict with the NPPF. In March 2013, without review, even elements of ‘limited’ conflict will be subject to ‘due weight’ as opposed to ‘full weight’. Furthermore, where a deliverable (and therefore viable) supply of housing land cannot be demonstrated paragraph 49 of the NPPF confirms that relevant housing policies will be rendered out of date.</p> | <p>Proposals will have to be assessed in relation to current economic conditions and updated national guidance. Reading Borough Council will, in due course, be going forward with a review of the local plan. At that time policies will be reviewed and updated in the light of relevant guidance operating at that time.</p> <p>Implementation of CS16 has always been negotiated in the light of other material considerations including viability assessment as indicated in the supporting text.</p> <p>The practice of the council is to give consideration to other material considerations submitted with an application, including evidence on viability and to weigh such considerations against the legal requirement to determine an application in accordance with the development plan unless...<sup>3</sup></p> <p>Disagree with the final sentence. Reading has an adequate deliverable supply of</p> |

<sup>3</sup> Section 38 (6) of the Planning and Compulsory Purchase Act 2004.

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            |   | housing land (see Annual Monitoring Report)  |
|            | <p>The Sites and Detailed Policies DPD (“SDP DPD”) Inspector’s report (paragraph 51) confirms that the soundness of the Core Strategy Policy was not reviewed as part of the process of the SDP DPD Examination process. The SDP DPD Examination suggests that the Council acknowledge that the Core Strategy requires review in the ‘near future’ (paragraph 11, Inspector’s report).</p> <p>3.37 The Core Strategy policies are out of date given that they are in significant conflict with the NPPF, and the assumed housing land supply is not demonstrated to be deliverable in accordance with the NPPF. The weight that can be attached to the CS16 Policy basis of the draft AHSPD is therefore questionable, and this in turn impacts upon the weight to be attached to this aspect of the draft AHSPD, even if it is adopted. Such matters are likely to be tested at appeal.</p> <p>3.38 Paragraph 4.33 of the draft AHSPD refers to viability testing undertaken in respect of the affordable housing targets within Policy DM6 of the Sites and Detailed Policies Development Plan Document. However, significant concerns were raised in response to the Inspector’s Matters and Questions in respect of the validity of the viability evidence base conclusions informing the Sites and Detailed Policies Development Plan Document affordable housing Policy DM6 (seeking contributions from sites of less than 15 dwellings and referred to in paragraph 4.33 of the draft AHSPD).</p> <p>Unfortunately, on the basis of the concerns not having been raised previously during the consultation process, the Inspector chose not to</p> | <p>Disagree. Policies are not in conflict and in any case are implemented in accordance with current government guidance in relation to the consideration of viability.</p> <p>The university is at liberty to make these points in any appeal in which they are involved. However, in accordance with paragraph 215 of the NPPF, given that the affordable housing policies comply with the requirements of the NPPF (they are based on a viability assessment and responds to the requirements in paragraph 174 in that they set out local standards and due consideration was given to cumulative impacts of policies) the policy should be afforded great weight</p> <p>This repeats matters raised above. Policy DM6 is part of the Adopted plan and is the development plan policy against which sites of less than 15 dwellings will be determined.</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            | <p>discuss the material submitted during the Hearing sessions and as such the conclusions within those representations were not reviewed during the Examination. This does not alter the fact that serious concerns were raised calling into question the validity of the Policy DM6 approach to affordable housing and the reliability of the viability conclusions.</p>   |   |
|            | <p>Paragraph 4.43 of the draft AHSPD accepts that the levels of affordable housing sought within the DM6 affordable housing targets may not be achieved, and suggests, therefore, that a case by case viability assessment approach will be applied. This does not accord with the NPPF which requires that local authorities have a deliverable 5 year supply of housing land - to be deliverable the NPPF requires that land must be viable. It is not evident that either Policy CS16 or DM6 enable a deliverable (i.e. viable) 5 year supply of housing land.</p> | <p>These continue to be objections to a recently adopted development plan policy and do not provide any constructive criticism of the content of the SPD. The policy was constructed on the basis that the plan is of the period up to 2026 and that it will be applied flexibly in the light of prevailing economic conditions, particularly the issue of viability. It does not prevent the delivery of viable development. The SPD is intended to provide mechanisms for viability to be appropriately assessed and thus enable planning permission to be granted.</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response  |
|------------|---|---|
|            | <p>In this regard it is relevant to note that the Secretary of State for Communities and Local Government issued a Ministerial Statement on the 6th September 2012. This further emphasises the need to provide new homes to meet Britain's demographic needs and to help generate local economic growth. The statement confirms that the Coalition Governments number one priority is to:</p> <p><i>"...get the economy growing. We must create the conditions that support local economic growth and remove barriers that stop local businesses creating jobs and getting Britain building again."</i></p> <p>The Statement also confirms that:</p> <p><i>"It is vital that the affordable housing element of Section 106 agreements negotiated during different economic conditions is not allowed to undermine the viability of sites and prevent any construction of new housing. This results in no development, no regeneration and no community benefits at all when agreements are no longer economically viable.</i></p> <p><i>The Government estimates that up to 75,000 new homes are currently stalled due to site viability. S106 is an important tool to provide affordable housing and we welcome the flexible approach that many councils have already taken to renegotiating these agreements where necessary. The Government is also acting to get developers and councils around the table through its new mediation scheme. However, given the current imperative for growth, we need to do more.</i></p> <p><i>The Government will now introduce legislation, to be effective in early 2013, which will allow any developer of sites which are unviable because of the number of affordable homes, to appeal with immediate effect.</i></p> <p><i>The Planning Inspectorate will be instructed to assess how many</i></p> | <p>There are appropriate provisions within the SDPD and the draft SPD for consideration of these matters. Reading Borough Council has always been willing to negotiate reasonably in relation to evidence of viability of development and will continue to do so. The SPD is intended to be a constructive device to help developers and landowners to provide appropriate justification where viability is an issue.</p> <p>Indeed DCLG have now published, "Section 106 affordable housing requirements, Review and Appeal," April 2013, to address these matters and the aims of the Growth and Infrastructure Act 2013. The final version of the SPD will have regard to that guidance, in particular its viability test and the Annex on Viability Reappraisal which summarises potentially relevant key issues for a reassessment of viability, most of which are relevant for a first time viability assessment.</p> |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            | <p><i>affordable homes would need to be removed from the Section 106 agreement for the site to be viable in current economic conditions. The Planning Inspectorate would then, as necessary, set aside the existing Section 106 agreement for a three year period, in favour of a new agreement with fewer affordable homes. We would encourage councils to take the opportunity before legislation comes into effect to seek negotiated solutions where possible.</i>"<br/>(emphasis added)</p> <p>Clearly, the Government's emphasis within the 6th September 2012 Statement aligns and re-confirms the NPPF approach to viability and seeks to ensure that Councils do not over burden land owners and developers with excessive policy requirements which render sites unviable, and Councils are strongly advised by the Ministerial Statement to negotiate where this is demonstrated to be the case.</p> |  |
|            | <p>The Government introduced draft legislation on the 18th October 2012 in the form of the Growth and Infrastructure Bill which, if enacted, will enable those subject to affordable housing planning obligations to request local authorities to review the obligations imposed where these render a scheme unviable, and to appeal directly to the Secretary of State. Such appeals are likely to proliferate in areas where local authority policy approaches are imposed which over burden landowners and developers</p>  | <p>Not accepted: As indicated above, the Council believes that it has a healthy land supply and that the university is at liberty to make these points in any appeal in which they are involved.</p> |
|            | <p>The deliverability of the underlying policy basis of the draft AHSPD is questionable given that it is unclear that the targets enable a viable / deliverable 5 year housing land supply. In particular, the Core Strategy</p>  | <p>Not accepted: As indicated above, these are adopted policies forming part of the development plan. The Council believes that</p>  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent  | Council Response  |
|------------|--|---|
|            | <p>target was introduced without having been prepared on the basis of a publicly consulted viability assessment, or a viability assessment that has been tested through the examination process. As such, there is a risk that housing policies may be concluded to be out of date during appeal scenarios leaving proposals to be determined on the basis of the presumption in favour of sustainable development.</p>  | <p>it has a healthy land supply. The university is at liberty to make these points in any appeal in which they are involved.</p>  |
|            | <p>In any event, after March 2013 full weight will not be applicable where Plan policies exhibit even a limited conflict with the NPPF. The draft AHSPD, the adoption of the Sites and Detailed Policies DPD and the 2012 CIL Viability Assessment do not remove the need to review Plan policy having regard to the cumulative impact of policy requirements and the need to ensure a 5 year viable supply of housing.</p> <p>Another assertion that development plan policies will not stand up at appeal.</p> | <p>Disagree. That is a very simplistic, interpretation of what the NPPF says and is not backed up by any expert legal evidence. Applications will continue to be determined in accordance with the development plan unless other material considerations indicate otherwise. It is still for the decision maker to determine. The local plan will be reviewed in due course. A 5 year housing land supply is not an issue for Reading Borough at the current time. Additionally and notwithstanding the above, the policies accord, and are compliant, with the requirements of the NPPF.</p> |
|            | <p>Procedures<br/>Paragraph 5.2 refers to standard draft legal agreement clauses prepared by the Council. Whilst these may be proposed by the Council as their preferred approach for negotiation they do not represent fixed requirements and it would be inappropriate were the Council to seek to impose such matters.</p>  | <p>Noted: One objective of an SPD is to assist applicants in the process of obtaining planning permission in a timely manner. This is the practice of the Council. It is saying that it will be helpful in processing the application if it is done this way. Applicants can seek to do it another way if they so wish</p>  |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent | Issue/Suggestion raised by Respondent   | Council Response   |
|------------|---|--|
|            |   | but that is unlikely to be helpful in drafting the legal agreement in a timely manner.   |
|            | Paragraph 5.5 seeks that financial contribution payments are paid at the 'commencement of development' unless otherwise agreed. It is essential that the Council remains flexible on this matter as the imposition of any such approach is not supported at a higher policy level and is likely to impact negatively on scheme viability. The wording should clarify that this is a preferred as opposed to required approach.<br>Suggested amended text. | Partially accepted. Text amended to reflect flexibility.   |
|            |   |  |
|            | <b>Appendix 1 The Housing Need Assessment and Affordable Rent Review, February 2012 ("HNA")</b>   | For information: A lot of what is in the appendix has already been covered in responses above. Only one or two points are dealt with here where they raise matters not dealt with above.   |
|            | Very detailed critique of the HNA including the accusation that it is not in accordance with the relevant practice guidance, Strategic Housing Market Practice Guidance Version 2.  | Worth noting that DTZ who undertook the Berkshire SHMA wrote the original Housing Market Assessment Manual for ODPM and were heavily involved in the preparation of Version 2.   |
|            | AH Needs Modelling. Inference that the Practice Guidance indicates that this should be addressed over the remaining period of the plan rather than 5 years and this would significantly reduce the level of need.   | Guidance advises it should be over 5 years although it could be a longer period. It is up to the local authority to decide. It is hardly acceptable to expect people in housing need and often in very unsatisfactory living conditions to, as a matter of policy, wait 14 years before there is any prospect of being |

**Draft Affordable Housing Supplementary Planning Document  
Summaries of Representations and Recommended Council Responses**

| Respondent          | Issue/Suggestion raised by Respondent  | Council Response  |
|---------------------|--|---|
|                     |  | housed. This is relevant to other criticism of the HNA  |
|                     | The Core Strategy housing figures are based on outdated growth assumptions.  | Not accepted: Paragraph 5 fails to understand that the 521 figure in the SEP was volunteered by RBC based on estimated capacity not growth assumptions.   |
|                     | Paragraph 14 and following and elsewhere in the analysis criticises a lack of evidence on the role of the private rented sector and claims that it can provide appropriate affordable accommodation. Refers to work in Sefton in north-west England. | Not accepted?? The private rented sector is also under huge pressures in the current market and is seeing rapidly increasing rents. There is clearly a shortage of such accommodation in Reading. It might provide accommodation at levels that some h/h's could afford but there is currently huge competition for very limited accommodation. Sefton is not Reading and does not face the same pressures on housing as Reading. |
|                     | Appendix 2 - The Calculation of Affordable Housing Requirements. This discourse provides an expanded discussion seeking to justify their view that affordable housing requirements should only be applied to the net increase in housing.            | Not accepted: Arguments rebutted above in relation to comment. Appendix "provides background to the calculations and examples of those calculations used to work out contributions.   |
| <b>Other points</b> | In developments for student or non C3 housing, will there be a requirement for affordable housing? The SPD is not clear on this matter.  | Some wording added  |

<sup>i</sup> NOMIS, Labour Force Survey 2007-2012 1

<sup>ii</sup> NOMIS, BRES/ABI, 2007-2012

<sup>iii</sup> NOMIS, Labour Force Survey 2007-2012