

**ANNEX 1: SUMMARY OF WRITTEN COMMENTS RECEIVED AND COUNCIL RESPONSE**

Ref	Respondent	Document section/topic	Summary of response	Council response
002645	Environment Agency	General	The Environment Agency has no objections. We do not consider any such revision to the Council's thresholds for affordable housing provision to adversely affect the Council's ability to meet any environmental obligations for new development for which we would be concerned.	Noted.
000017	English Heritage	General	<p>English Heritage has no comments on the proposed reduction in the proportion of affordable housing to be sought from housing developments.</p> <p>However, in respect of paragraphs A.6 of the Core Strategy and B.6 of the Sites and Detailed Policies Document, English Heritage trusts that the Council would be willing to consider a reduction in the required affordable housing provision where viability was an issue and the scheme would deliver other public benefits in the form of the conservation or enhancement of heritage assets.</p>	<p>Noted.</p> <p>Benefits to heritage assets would certainly be a material consideration in determining such applications.</p>
	Hermes	General	Hermes supports RBC's intention to reduce affordable housing targets across the Borough to reflect what they consider to be more realistic and achievable levels of provision, within the context of the prevailing economic climate and the urgent national requirement to 'boost significantly' housing growth (NPPF), which will facilitate the overall deliverability of affordable housing.	Noted.
	Hermes	General	<p>Whilst Hermes appreciate that increasing the supply of housing and, in particular, affordable housing, is one of RBC's priorities, viability can act as a serious obstacle to housing delivery, and development should not be subject to such a scale of obligations and policy burdens that its ability to be developed viably is threatened (NPPF, paragraph 173).</p> <p>Whilst the exact reduced affordable housing targets to be contained within the replacement policies will need to be</p>	<p>Noted.</p> <p>The Council already operates affordable housing policies in this way, and the intention is to continue to do so. The policy will allow for the viability of specific schemes to be taken into account at application stage if it can be demonstrated that the policy target is not viable in that case, in the same way that existing policies do.</p>

			<p>established through a detailed viability assessment, which we note has not currently been undertaken, the appropriate time to test the viability of specific development proposals remains at the planning application stage. It is essential that RBC's policy approach is applied flexibly to individual schemes based upon their specific viability, individual site considerations, the cumulative impact of all obligations and policy burdens and the need to encourage rather than restrain development. Hermes therefore consider that it is essential that the replacement policies allow for circumstances where a lower level of affordable housing provision is justified on the grounds of economic viability.</p>	<p>The draft altered policies and associated text allows the specific viability of individual schemes to be tested, although as the policy has been viability tested, the assumption will be that the specific viability of individual schemes will only need to be tested in exceptional circumstances.</p>
	Hermes	General	<p>Hermes recognises the need for affordable housing requirements, having regard to their size, type and tenure, to be reflective of current identified local needs through a range of housing types, tenures and sizes. A flexible approach to the provision of affordable housing and innovative proposals that can meet specific local needs should be adopted in this regard.</p>	<p><b>Noted.</b> It is agreed that the policy should be sufficiently flexible to allow innovative proposals to meet specific local needs. However, there still needs to be policy in place to guide proposals in terms of size, type and tenure for the majority of cases, in order that the right kind of housing is delivered. As for any planning application, the law allows other material considerations to be weighed against the requirement to determine an application in accordance with the development plan.</p>
	Thames Valley Police Crime Prevention Design Advisor	General	<p>Affordable housing can have residents who are sometimes the most vulnerable in society and who therefore cannot afford to pay for any uplift in security for their accommodation. Therefore it is important that any new dwellings built should be to part 2 (physical security) of the Secured by Design award, which is entry level security using British Standard tested doors and windows.</p> <p>Crime is also a generator of CO2 emissions and in England &amp; Wales is estimated to create 12 million tonnes of CO2 emissions - equivalent to 2% of the UK's total CO2 output. If new development is constructed to part 2 (physical security) of the Secured by Design award, not only will this reduce crime, but also reduce CO2 emissions and make the development more sustainable for its lifetime.</p> <p>I would therefore suggest extra wording to the policy</p>	<p><b>Not agreed.</b> Security of design is an issue that is not simply applicable to affordable housing, but many other types of development as well. The purpose of this early review is to keep to the specific issues that are identified, i.e. the proportion of affordable housing sought. Security of design is an issue that is dealt with in Core Strategy policy CS7, and the consideration of this and all other policies will be for the Local Plan review, timetabled to begin later in 2014.</p>

		(perhaps at section B.4) such as:  "Developers will show how the physical security of development proposals will be achieved in Design and Access Statements (when a DAS is required). All developments will be expected to meet the standards for new homes in Secured By Design New Homes, Part 2: Physical Security."	
Mr David Parsons	General	<p>The policies make an abrupt level shift when adding a fifth or a tenth or a fifteenth house to a site. This can have a distorting effect on the best development on a site. For example, a builder may have a site which could be developed for 10 houses. If he did so, 3 would have to be affordable and 7 would be profitable. Instead he is likely to build 9 houses, where under the 20% tariff only 1.8 would have to be affordable and he can build 7.2 for profit. With less space tied up in affordable properties he can make the 7 houses larger and make more profit - but leaving the Council with one fewer affordable property than if the tariff had been set to optimise affordable development.</p> <p>Similarly adding a fifteenth house makes no sense for a builder. What determines a builder's profitability is the number of dwellings for sale, not the % affordables. Under the tariff, the fifteenth house would be affordable, so represents more work for no more profit.</p> <p>In the British tax system everyone gets £9440 tax free, then pays 20% on the next slice of income, then 40% on the next slice. Could this principle be applied to affordable housing? To remove the level shifts, policy could be set, for example, to say that the first four houses on any site - whatever the size - would attract a 10% affordable requirement; the next five houses say 25%; the next 35%; then 45%; or some such scheme. There would be some 'winners' and some 'losers' compared with the present lumpy scheme, but less chance to 'play the system'.</p>	<p><b>Noted.</b></p> <p>Any such policy is inevitably going to result in some unevenness in how it is applied. The previous position of not seeking affordable housing below 15 units led to a rash of 14 unit schemes, and the introduction of DM6 has at least mitigated this to some extent.</p> <p>There is some merit in this proposal and it is worthy of more detailed consideration. However, at the current time, any consideration of this issue has to be mindful of the possibility of the Government introducing a 10-unit threshold for seeking affordable housing, which would undermine any efforts the Council makes to smooth the calculation from one unit through to 15.</p> <p>If the government's stated intention to introduce a 10-unit threshold is not implemented, then the review of affordable housing policies under the forthcoming review of the local plan will give this proposal serious consideration.</p>

			Alternatively would a fairer way be to assess as a proportion of the number of bedrooms. In the old days builders would build 50% of the number of dwellings as luxury 5-bed houses and 50% as one-bed flats. In this case only 16.7% of the bedrooms was affordable. A scheme on these lines would help promote the need for family size affordable properties.	
	University of Reading		The University of Reading is concerned by paragraph 2.3 since it states that "one or two of the targets" within Policy DM6 may be lowered. The Policy includes three targets and as such the University does not consider it appropriate for the alterations to the Policy to be limited to "one or two of the targets". The further viability assessments which the Council has committed to undertaking may indicate that all three of the targets within the Policy, as well as within Policy CS16 of the Core Strategy, should be altered. In fact, the University notes that the proposed wording of replacement Policy DM6 does suggest that all three targets could be altered.	<b>No change needed.</b>  The targets will be revised in line with the evidence, including the viability assessment. It is agreed that the somewhat informal language used in the Issues and Options when interpreted literally may lead to a perception that the Council will not make any more than minor amendments, but this was not the intention.
	University of Reading		Paragraph 2.3 states that the targets within the SDPD will be altered by "small amounts to reflect actual viability in the current market conditions". The University considers that it is inappropriate to commit to targets only being revised by "small amounts" since the viability assessments to be undertaken may indicate that more significant alterations are required to ensure that development remains viable in accordance with paragraph 173 of the NPPF.	<b>No change needed.</b>  The targets will be revised in line with the evidence, including the viability assessment. It is agreed that the somewhat informal language used in the Issues and Options when interpreted literally may lead to a perception that the Council will not make any more than minor amendments, but this was not the intention.
	University of Reading		Paragraph A.4 of the Issues and Options consultation document indicates that affordable housing will be sought from major B1 developments of more than 2,500 sqm. The paragraph then continues by stating that on-site provision of affordable housing will always be sought in the first instance but that surrogate sites or commuted sums towards affordable housing will be considered in exceptional circumstances. Unless a development is of significant scale and truly mixed use, it is unlikely that major B1 developments of more than 2,500sqm will be	<b>Agreed. Change proposed.</b>  This reference is not particularly relevant to policy CS16; it is covered in policy CS13 which is not the subject of this alteration. Remove reference to B1 developments from the text to the policy.

	University of Reading	<p>capable of providing affordable housing on-site.</p> <p>The possible revised text to Policy DM6 of the Sites and Detailed Policies DPD states that the Affordable Housing SPD provides additional detail on affordable housing provision and we note that this SPD includes the calculation to be used when identifying the level of financial contribution which will be sought from major B1 developments. Our calculations indicate that the SPD suggests that a financial contribution of approximately £5.8m would be required from a development of 10,000 sqm of B1 floorspace (based on the Council's current affordable housing target of 40% which is set out within the Housing Strategy 2009-2013).</p> <p>The Council's affordable housing target within the Housing Strategy should be updated in light of this current consultation, the evidence that RBC will need to collate and the acknowledgement that the Core Strategy requirement of 50% affordable housing is generally unachievable.</p> <p>However we also note that the level of affordable housing contribution identified as being necessary from B1 developments within the Affordable Housing SPD is likely to act as a significant deterrent to developers who might otherwise bring forward such schemes.</p> <p>Even at the affordable housing levels being proposed within the Issues and Options consultation document, a target of 30% would still indicate that affordable housing contributions of approximately £4.3m would be required from a development of 10,000 sqm of B1 floorspace and we consider is likely to continue to act as a significant deterrent to developers.</p> <p>As such, we strongly urge the Borough Council to also reconsider the calculation of affordable housing contributions payable from major B1 developments in order to help facilitate development which may well help</p>	<p><b>No change needed.</b></p> <p>The issue of affordable housing contribution from B1 development is not currently subject to consultation. It is referred to in Policy CS13 that is not subject to this fast track alteration. This consultation is intended as a focused consultation on a particular issue, namely affordable housing contributions from housing development, which will enable those policies to be updated in a streamlined examination process. Expanding the scope of the consultation will mean lengthening the process, thus negating the point of consulting on this particular issue prior to a full Local Plan review. The issue of affordable housing contributions from B1 office development will be dealt with as part of the Local Plan review as appropriate.</p> <p>The Council is not aware of any evidence that its policy in terms of B1 office is deterring development, and the University of Reading has not provided any. Large scale B1 office development which fails to attempt to mitigate its impact on the housing market is not sustainable development, for reasons set out in the SPD and policy CS13.</p>
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		to contribute towards economic growth and the availability of employment opportunities in the town which is currently being deterred.	
University of Reading		Viability can act as a serious obstacle to housing delivery, and paragraphs 173 and 174 set out how this is to be taken into account. Whilst the exact reduced affordable housing targets will need to be established through detailed viability assessment, which we note has not currently been undertaken, the appropriate time to test the viability of specific development proposals remains at the planning application stage. On this basis it is essential that RBC's policy approach is applied flexibly to individual schemes based upon their specific viability, individual site considerations, the cumulative impact of all obligations and policy burdens and the need to encourage rather than restrain development. The University therefore considers that it is essential that the replacement policies allow for circumstances where a lower level of affordable housing provision is justified on the grounds of economic viability.	<p><b>Noted.</b></p> <p>The Council already operates affordable housing policies in this way, and the intention is to continue to do so. The policy and associated text will allow for viability of specific schemes to be taken into account at application stage if it can be demonstrated that the policy target is not viable in that case, in the same way that existing policies do. However, as the policy has been viability tested, the assumption will be that the specific viability of individual schemes will only need to be tested in exceptional circumstances</p>
University of Reading		<p>The recognition by Reading BC that their adopted policies in respect of affordable housing provision do not conform with the NPPF is to be welcomed.</p> <p>This lack of conformity - particularly in respect of DM6 - was formally brought to the Council's attention in May 2012 before the SDPD examination closed as it has been a longstanding flaw in the Council's position to base Policy upon aspiration and social engineering objectives rather than proven evidence as is stipulated in national guidance. It is, consequently, unlikely that the proposed alterations will be sufficient as the Council are still relying upon presumption and untested evidence. In that regard it can be noted that the Council are not proposing to amend associated policies (e.g. CS15 and DM5) or the adopted Affordable Housing SPD and it is therefore likely that the LDF will continue to deter development in direct conflict with the NPPF.</p>	<p><b>Noted.</b></p> <p>The support for revising the affordable housing policies is noted, and one would assume that the University would therefore wish to engage constructively with the process to ensure that these revisions can be made as quickly as possible.</p> <p>It is a bizarre approach to argue that the proposed alterations will be insufficient when the actual draft policy has not yet been published, and suggests a rather combative attitude as opposed to the constructive approach that makes a genuine contribution to the debate which the planning policy system is supposed to engender, and which is certainly required in this case.</p> <p>Reference to a "democratic deficit" in the way the SDPD policies were generated is particularly perverse. Policies were subject to a number of public consultation exercises, and adopted by a democratically elected Council who have long made their commitment to delivering affordable housing clear.</p> <p>Claims that the existing policies have handicapped the development industry at a time of economic crisis are entirely unsupported in this submission.</p>

	<p>Therefore, it is recommended that bearing in mind there has been no previous opportunity to robustly examine the underlying assumptions, methodology or conclusions in a public examination of the background evidence base (i.e. the SHMA - completed by DTZ after the CS and SDPD were adopted and Viability Study - which has not yet been undertaken) should be made part of the Inquiry process. It is inappropriate for Reading BC to present such documents as factual when they have not been subject to either consultation or examination in public. Therefore, to base draft alterations upon what it is assumed they demonstrate is in itself a contradiction of the requirements of the NPPF.</p> <p>Furthermore, it is self-evident that any SPD to be referred to for development control purposes should only be introduced after the draft Policy on which it is intended to provide guidance has been examined and adopted: in the interim the weight to be attached to any existing SPD is significantly reduced and it would be prudent to formally acknowledge this and confirm that the Affordable Housing SPD adopted in July 2013 will be withdrawn and revised.</p> <p>In essence it does not appear that the draft alterations reflect recognition of the need emphasised in the NPPF to reduce the cumulative financial burden imposed upon development but rather of a desire to merely amend the apportionment of planning obligations to facilitate the imposition of a borough-wide Community Infrastructure Levy.</p> <p>Thus, it can be concluded that unless there are substantial additional changes the proposed draft alterations will not remedy the conflict of the Local Plan with the NPPF and the adopted policies of Reading BC will continue to deter development activity.</p> <p><b>Proposed draft alterations</b></p>	<p><b>SHMA</b></p> <p>The examination process will of course include all background evidence, including latest SHMA information and viability work, as is normal practice. Viability information will underpin the draft policies - it should be noted that the Council has not yet produced full draft policies, so these objections are more than a little premature.</p> <p>Contrary to claims here, no SHMA was produced by DTZ after adoption of the SDPD. The main SHMA was completed in 2007 and was part of the background evidence for the Core Strategy examination. A narrow update on the need for housing and affordable rent was completed by DTZ in February 2012, some months before the SDPD was adopted in October 2012. All that this did was to confirm that there continues to be very significant need for affordable housing in Reading. It can surely not be the contention that this is not the case. The representation is seeking to quibble on dates and processes of documents that have already been adopted, when the basic issue is clear to everyone, i.e. that there is a very substantial need for affordable housing in Reading Borough over the plan period.</p> <p>The examination process will of course include all background evidence, including latest SHMA information and viability work, as is normal practice.</p> <p><b>Viability</b></p> <p>The draft policies will be supported by a viability assessment of the cumulative policy implications of the entire plan, which will comply with requirements of the NPPF. It is premature to seek to claim that changes will not comply with the NPPF before the full draft of those changes is published.</p> <p>The viability assessment will be published when the pre-submission draft policies are published. It is unclear what 'full involvement of all interested parties' means in practice, but it is not a requirement of the NPPF that such involvement takes place, and doing so would place an enormous time and resource strain on the local authority and delay the timetable for reviewing these policies.</p> <p><b>Affordable Housing SPD</b></p> <p>Until such time as they are replaced, adopted policies upon which the SPD is</p>
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that regard, it appears that Reading BC continue to seek to respond to aspiration and a desire to socially engineer communities.

2. Great emphasis is given within NPPF to not imposing planning burdens which will stifle viability however Reading BC have not yet appraised the impact of either CS16 or DM6 upon financial viability and are instead responding to difficulties highlighted during the attempt to introduce a Community Infrastructure Levy.

Thus, Reading BC appears to be promoting planning obligations without assessing the potential impact upon the release of sites. Neither the cumulative impact upon land supply or financial implications for individual sites has been considered. There is therefore a fundamental conflict between the NPPF and both CS16 and DM6 which was immediately out of date when adopted and has deliberately resulted in affordable housing proposals being determined in accordance with individual scheme viability appraisals.

It is inevitable that the inflexible imposition of such unnecessary delay and expense upon applicants has been injurious to the provision of new housing in Reading but it is of greater concern that - rather than remedy the acknowledged conflict with the NPPF by considering a thorough overhaul of the Local Plan - the Council are now proposing to make only very minor adjustments. In that respect (and setting aside the issue of two wasted years bearing in mind the NPPF was published during the EiP some seven months before the SDPD was adopted) there is no confirmation given in the 'Issues and Options' paper that:

- the Council anticipate a thorough examination of the new SHMA of 2012 (which has never been subject to public scrutiny) in advance of, or during, the examination concerning the proposed draft alterations
- housing supply and SHLAA targets will be enhanced in accordance with the requirements of the NPPF to reflect

		<p>the increased need for affordable housing which it is suggested the SHMA of 2012 has identified</p> <ul style="list-style-type: none"><li>- all adopted policies which impact upon viability (e.g. CS15 and DM5) will be re-considered on a cumulative basis to conform with the requirements of the NPPF</li><li>- the viability assessment exercise to be undertaken in advance of the publication of the Pre-Submission Draft Alteration planned for March 2014 will be subject to public consultation and be prepared with the full involvement of all interested parties including land owners and private sector house builders</li><li>- the Affordable Housing SPD of July 2013 will be withdrawn until this exercise is completed.</li></ul> <p>It is likely therefore that unless dramatically amended the route proposed by Reading BC will merely extenuate the democratic deficit which characterised the imposition of the SDPD policies irrespective of the publication of the NPPF and which have handicapped the development industry during a time of severe economic crisis.</p>	
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