APPENDIX 1: DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT – STATEMENT OF CONSULTATION

Introduction

A Draft Affordable Housing Supplementary Planning Document (SPD) was published for consultation in October 2020. This set out further detail to supplement the affordable housing policies in the Reading Borough Local Plan, adopted in November 2019. This statement summarises the consultation that was undertaken on the SPD, and reports on the responses received.

Summary of Consultation

The consultation was undertaken between 2nd October and 13th November 2020. The consultation period lasted for six weeks in accordance with the relevant regulations and the Council's adopted Statement of Community Involvement (SCI).

Consultation involved contacting all those on the Council's planning policy consultation list, which includes a mix of statutory consultees, businesses, voluntary and community organisations and interested individuals, around 1,200 contacts in total.

The document was also published on the Council's website. The consultation took place while social distancing measures were in place in response to the Covid-19 pandemic, which meant that public buildings such as the Civic Offices and public libraries were closed. This meant that the Council was not able to place hard copies in this location, as would generally be expected under the SCI. This was unavoidable, but is not considered to have had a significant effect on the consultation.

Summary of Responses

Responses were received from 13 individuals or organisations, although three of these were merely to confirm that there were no comments. A total of 47 individual points were made by these respondents. The respondents are set out below:

- Aviva Investors
- Berkeley Group
- Cooper, Andrew
- Fisher, Samuel
- Highways England
- Historic England
- Inspired Villages
- Natural England
- Shinfield Parish Council
- Sovereign
- Transport for London
- Turley
- University of Reading

The following points were among those raised by respondents. The full set of representations is set out in Appendix 1.

- Comments relating to the proposals for Reading affordable rent, with one comment considering that the 70% cap has not been sufficiently justified, with other comments relating more to matters of detail or application such as the inclusion of service charges;

- The need for updated consideration of First Homes, a national approach to which had recently been consulted on at the time of the Draft SPD, and which has still not been formally introduced in the National Planning Policy Framework;
- A number of comments on the detailed proposals for the affordable element of build-to-rent and whether these comply with national Planning Practice Guidance, in particular regarding issues such as eligibility and clawback arrangements in the event that units are sold;
- A response from a care provider highlighting that its form of provision falls within the C2 use class and would not therefore generally be expected to contribute to affordable housing;
- A response from the University of Reading asking for further clarification on the circumstances where student accommodation would contribute to affordable housing, and arguing that no contribution should be made where student accommodation has demonstrated compliance with the locational approach in Local Plan policy H12;
- A registered provider (RP) commented that greater involvement from RPs in defining tenure mix should be sought at an early stage of development proposals;
- Concerns about the proposed approach to deferred contributions, in particular that formulae are too simplistic and do not take account of the circumstances that developers may be in, and that this approach can add to risk and the cost of finance;
- Some comments on layout, design and related matters that are applicable to housing provision generally; and
- Concerns around the adequacy of the viability testing report of the tenure proposals of the SPD, which was published at the same time as the draft SPD to inform the consultation.

Detailed summaries of each individual representation, as well as a response from the Council are included in Appendix 1. These are set out in document order.

Appendix 1 [to Statement of Consultation]: Summary of Representations and Council Responses

Name	Document reference	Representation	Council response
Aviva Investors	General	It is unclear how the draft guidance should be applied alongside Policies H3 and EMP1 in respect of employment opportunities being brought forward within the borough. We would welcome further clarity on this matter.	No change proposed. Whilst there were provisions in the Draft Local Plan for employment development to make contributions to affordable housing, these were removed as a result of a main modification in the Inspector's Report. Whilst EM1 still talks about the need for employment and housing levels to remain in balance, this is more a reference to overall figures rather than any provision for affordable housing.
Aviva Investors	General	Additional detail should be provided regarding how the SPD responds to the recent The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020.	No change proposed. The use class changes made by the regulations do not have any particular impact on the content of the Affordable Housing SPD. They do not affect any of the residential use classes.
Berkeley Group	General	Our client recognises that housing affordability represents a significant challenge in Reading and supports RBC's ambition to improve access to decent housing to meet local needs, as set out in RBC's Corporate Plan 2018-21. Our client therefore supports RBC in preparing an updated Affordable Housing SPD to align with the Local Plan adopted in November 2019. Our client considers that the draft SPD is broadly consistent with Local Plan Policy H3 which identifies the affordable housing requirement. However, our client does not consider that the SPD is entirely consistent with the NPPF and PPG, for the reasons detailed below.	Noted. No change needed. See Council responses below for more detailed comments.
Highways England	General	We have reviewed this consultation and have no comments.	Noted. No change needed.
Historic England	General	We do not wish to make any comment.	Noted. No change needed.

Name	Document reference	Representation	Council response
Inspired Villages	General	A retirement community falls under the extra care model and our developments are within the C2 Use Class. Inspired Villages is a member of Associated Retirement Communities Operators (ARCO) and we encourage Reading Borough Council to engage with ARCO to assist with your understanding of the Retirement Community Sector, and would recommend you view their website.	Noted. No change needed. Issues around use classes are dealt with in the response to the comment on paragraph 5.19.
Inspired Villages	General	We request that you review the eight recommendations in the attached document set out at Paragraph 5.1 and request that your SPD is amended to reflect these recommendations.	Noted. We have reviewed the submitted document, which is directed more towards Local Plans than SPDs themselves, and consider that our own Local Plan process has largely been in line with its recommendations. The specific matter of the C2/C3 use classes is dealt with in relation to the comment on paragraph 5.19.
Natural England	General	We do not wish to comment.	Noted. No change needed.
Natural England	General	A SPD requires a Strategic Environmental Assessment only in exceptional circumstances as set out in the Planning Practice Guidance. While SPDs are unlikely to give rise to likely significant effects on European Sites, they should be considered as a plan under the Habitats Regulations in the same way as any other plan or project. If your SPD requires a Strategic Environmental Assessment or Habitats Regulation Assessment, you are required to consult us at certain stages as set out in the Planning Practice Guidance.	Noted. No change needed. This document expands on the affordable housing policies in the Local Plan. Those policies were subject to Sustainability Appraisal (incorporating the SEA requirements and the coping-level Habitat Regulations Assessment requirements) as part of the Local Plan. Based on the results of that assessment, there is not considered to be a need to undertake a Sustainability Appraisal or HRA of this SPD.
Sovereign	General	Delivering 100% affordable housing, using HE funding requires that the LA cannot impose nomination restrictions. Restrictions in the s.106 affects funding compliance.	Noted. No change needed. There are no elements of the SPD that would conflict with this.
Sovereign	General	Homelessness links in with Tenancy Ready project and assisting applicant to access training etc Need to be proactive about supporting individuals with high level needs, to demonstrate that they are being supported and are ready to be rehoused.	Noted. No change needed. This is outside the scope of the SPD. The Council has a Homelessness Strategy 2020-2025 that gives more information on the priorities and how they will be approached.

Name	Document reference	Representation	Council response
Sovereign	General	Could current events, including Housing White paper and the impact of Covid-19 provide you with new challenges, how will you respond to this?	No change needed. Whilst Covid-19 will clearly present many challenges, this should not change the long-term role of the SPD. No impacts from the Housing White paper are expected on the enabling or planning role, or specifically the SPD. The White Paper is focused on the actions that landlords should complete.
Transport for London	General	I can confirm that we have no comments to make on the draft SPD.	Noted. No change needed.
Fisher, Samuel	Paragraph 1.2	Is the total housing figure not 32% (406 out of 1,263) and 16% (406 out of 2,537) for Western Berkshire and Berkshire and South Buckinghamshire respectively? Figures from Estimated Level of Affordable Housing Need per Annum table of page 23 of Berkshire (including South Bucks) Strategic Housing Market Assessment, 2016.	No, all of those figures are the respective affordable housing need for those areas. So, for instance, Reading's 406 affordable homes needed per annum is 32% of the total affordable homes needed in Western Berkshire per annum (1,263), but it represents 60% of the total need for new homes (market or affordable) in Reading. A minor amendment should make clear that this is 60% of Reading's need.
University of Reading	Paragraph 1.6	The University raises an objection to this document as there is a divergence between the SPD and the recently adopted Local Plan policy H3 in terms of its potential applicability of affordable housing contributions from student accommodation. The draft SPD states in Para 1.6: "The policy will not be applied to student accommodation, residential care facilities (within the C2 uses class) or proposals for serviced apartments, unless: • They are being developed on an allocated housing site or a site where residential; development and affordable housing would have been anticipated…" However, Local Plan paragraph 4.4.15 states: "It is highly unlikely that the statutory duty to grant enough permissions will be met without some form of policy intervention. For this reason, it is considered appropriate that larger schemes of houses (not	Partly agreed. Change proposed. It is not agreed that there is a divergence between policy H3 and the SPD. The text quoted from paragraph 4.4.15 does not refer to H3, but is supporting text to H2 and relates to the inclusion of self-build. The Local Plan does not specifically exclude student accommodation from affordable housing requirements. It is agreed that sites on or as an extension of the university campuses and existing student accommodation, and the sites where student accommodation forms part of the allocation, should not be subject to affordable housing requirements. This was implicit in the statements in the SPD, but can be made more explicit by changes to paragraph 5.14 and 5.15. However, whilst the Council has accepted that provision of student accommodation can free up

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		including flats and maisonettes or non-C3 forms of housing such as student accommodation) should consider making a contribution to meeting this need." In the context of student accommodation, the SPD states in Paragraph 5.14: "[Financial] Contributions to affordable housing will only be sought where these forms of development take place on a site which is allocated for housing or where residential development including affordable housing provision would have been anticipated. An example of such a site is where there is an existing residential permission which would contribute to affordable housing, or a site which otherwise appears for general housing within the latest Housing Trajectory or housing land supply calculations." The SPD further indicates in paragraph 5.15 that as Policy H12 generally directs student accommodation away from these locations it is expected that such instances will not be frequent for student accommodation. It also acknowledges that "there is an argument that these forms of residential accommodation can free up existing housing by drawing people out of houses or houses in multiple occupation, it does not address the significant affordable housing need." As set out in the agreed Statement of Common Ground between the University and Borough Council (November 2018) as part of the evidence to the Local Plan Examination, the information submitted by the University details that significant recent growth and the limited availability of purpose-built student accommodation that students can be offered has increased pressure on the local housing market through greater demand for HMO accommodation. Consequently, the number of students living in HMOs has grown by 750 in the past two years. Since 2011/12, there has been an increase of at least 915	existing housing currently in HMO use, where the student accommodation provision is affordable to those students, it does not make as significant a contribution to meeting Reading's pressing housing needs as general housing provision would, and does nothing to address affordable housing needs. The provision of affordable housing from student accommodation developments will only occur where development for general housing would have been expected, usually due to an allocation or permission. This therefore represents a lost opportunity for affordable housing provision, and the Council considers that it is therefore necessary in planning terms to address this through a contribution.

Name	Document reference	Representation	Council response
		students living in HMOs. Figures for total recorded students residing in HMOs (as not all HMOs are officially registered with the Council) during 2016/17 reached just under 1,600 students (911 HMO registered properties). Indeed paragraph 4.4.101 of the Local Plan confirms that: "The provision of new student accommodation needs to be balanced against other types of housing. It is likely that purpose built student housing, where it is affordable to those students currently in HMOs, can free up some existing homes to meet more general needs, and there is evidence that in those recent years where numbers of students in HMOs have dropped, this has coincided with the opening of large new on-campus student accommodation blocks." Whilst the Local Plan than expresses concern that there are many site where development for students prevents a potential housing site being used to help meet the more pressing needs for general housing, including affordable housing, and goes onto prioritise student accommodation towards established student locations (through Policy H12), there is a recognition that the provision of purpose built student accommodation (where affordable) can serve to free up housing which can be used for general needs rather than student HMOs. Therefore, the University seeks amendment to the SPD in two respects. First, that the SPD must specifically recognise that there will be no requirement for financial contributions (or on-site provision) towards affordable housing from proposals for student accommodation on land forming either the London Road or Whiteknights Campus: such land is not available for general needs housing. Moreover, the SPD should identify that sites allocated for student accommodation, in whole e.g., St Patricks Hall (Policy ER1e) or in part e.g., Land r/o 8-26	

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		Redlands Road (ER1c) will not be required to provide a contribution towards affordable homes from proposals for student accommodation. Second, Paragraph 1.6 of the SPD should be amended as follows: "The policy will not be applied to student accommodation, residential care facilities (within the C2 uses class) or proposals for serviced apartments, unless: • They are being developed on an allocated housing site or a site where residential development and affordable housing would have been anticipated: unless it can be clearly demonstrated by the applicant how the proposal meets a need that cannot be met on or adjacent to existing further or higher education campuses, or as an extension or reconfiguration of existing student accommodation consistent with Local Plan Policy H12…" Consequential changes should also be made to Paragraph's 5.15 and 5.16 of the SPD to reflect the above wording. These changes will ensure that the SPD remains consistent with adopted Local Plan Policy in Policy H12 in recognising the role the provision of student accommodation provides in of itself as a form of low-cost housing, and by freeing up housing for general needs that would otherwise be occupied by students, particularly where it addresses a need that cannot be met on an existing student accommodation site or on or adjacent to a campus location. Moreover, it would ensure that a planning obligation which requires a financial contribution towards affordable housing from a student accommodation proposal is only sought by the Council where it 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	

Name	Document reference	Representation	Council response
		the development in line with the statutory tests outlined in Paragraph 56 of the NPPF.	
Fisher, Samuel	Paragraph 2.16	In relation to "quality and sustainable homes" will planning proposals be rejected if high rise flats have cladding? Thinking of Grenfell, who would be liable for fees / charges if the safety requirements change?	No change proposed. The safety of cladding is a matter for consideration under the Building Regulations, and will apply to both market and affordable housing in any case.
Sovereign	Paragraph 3.1	Not sure of impact of C-19 on mortgage market at present?	Noted. No change proposed. This uncertainty will continue for the time being, and should not hold up the production of the SPD. Different economic circumstances will affect viability considerations, but the SPD should be sufficiently flexible to cover these different circumstances.
Sovereign	Paragraph 3.2	Regarding the waiting list, have you recently held a data cleansing exercise – has this informed the document regarding demand/ need? The 'Help to Buy' data is live and current and demonstrates the demand for SO products and 'Help to Buy' products in Reading and could be used as a basis for forecasting.	No change needed. An extensive re-registration/data cleansing exercise was completed in 2015, and since then regular reviews of the Housing Register are completed at least annually. The pressures in the document reflect true demand for social housing in the town. The waiting list was not used to calculate the figure for affordable housing need, and this will therefore have no effect on identified needs.
Sovereign	Paragraph 3.3	We would like more information on how the demographic information was compiled to identify need, it would be useful to tie in with income/ affordability.	No change needed. The Berkshire Strategic Housing Market Assessment calculated the figures for affordable housing need. This can be viewed on the Council's website[1], and the relevant section is Section 6 (p205 onwards).
Sovereign	Paragraph 3.3	We understand that there is a need for 500 units per year in Reading • Across the business Sovereign completed 443 affordable new homes, in the six months to September 2020 (2019/20 Q2: 983), and will be	Noted. No change needed.

[1] https://images.reading.gov.uk/2019/12/Berkshire_Strategic_Housing_Market_Assessment_Feb_2016.pdf

Name	Document reference	Representation	Council response
		completing a further 25 new homes in the Reading area by April 2021. • SHA pipeline for Reading includes a further 72 new homes by July 2022 • SHA are continuously looking for new opportunities in the Reading area that will address local need.	
Sovereign	Paragraph 3.3	What are Reading anticipating for SO demand for the next 5 years?	There are no specific forecasts for shared ownership demand that have informed the SPD. More information can be provided by the Council's Housing section.
Fisher, Samuel	Paragraph 3.8	In relation to delivering new Housing Developments, there needs to be more than one way in and out of the development, otherwise bottlenecks are created in the development and onto major roads.	No change needed. This is a matter which is more related to general design and accessibility, which is dealt with in the Local Plan. Developments in Reading are rarely on a scale that requires multiple exits and entrances, but where this is the case the general design and access policies will be used.
Fisher, Samuel	Paragraph 3.8	Where are the 182 homes under Phase 3 of the Council's Corporate Plan 2018-21 to be built?	The SPD does not deal with specific sites. Currently, there are planning permissions for 125 new Council properties as part of LANB, the largest of which are at Wensley Road (46 units), former Reading Family Centre on North Street (41 units) and Norcot Community Centre on Lyndhurst Road (18 units), whilst Planning Applications Committee has resolved to grant permission to a further 17 units subject to Section 106, including Arthur Hill Pool (15 units).
Fisher, Samuel	Paragraph 3.8	Where new developments are to be built, can they be built on land that is not green space. For example, green space has been taken out of Coley Park area for new housing. Once this space is removed, it is removed you can not re-instate it. Also, removal of green space has an effect on mental health especially when you are living in a high-rise flat and do not have any immediate / attached outside space.	No change proposed. This is outside the remit of the SPD, which deals with securing affordable housing from new developments. Reading Borough is a tightly defined authority with a very high level of need for affordable housing. As such, it is not considered appropriate to prevent any affordable housing (or other housing) development on greenfield land, because this can sometimes be an appropriate form of development. The Local Plan contains policies that should be used to assess a development that results in the loss of green

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			space, and these will need to be taken into account in decisions.
Sovereign	Paragraph 3.10	What is the provision currently of private affordable housing? And it's pipeline?	We do not have comprehensive information on existing private affordable housing. In terms of pipeline, at 31st March 2020, 720 units of affordable housing were secured by S106 on private development sites and were either under construction or were not yet started. Of this, 388 were secured as rented, 266 as shared ownership and 66 were other tenures or unspecified.
Sovereign	Paragraphs 4.2 – 4.4	Would welcome the opportunity to discuss policy cross-over, and in particular to have influence in the tenure mix on s.106 for what is needed to create a balanced community.	Noted. No change needed. This SPD will set out the overall expected tenure mix. On individual sites, the ability of a RP to contribute to this discussion will depend on how early a developer brings them on board, but the SPD does state that this will be helpful at pre-application stage.
Shinfield Parish Council	Paragraphs 4.2 – 4.14	We note that the proposal for at least 62% affordable rent is in response to the particular housing need within Reading, and we support a tenure split which is more achievable and can provide genuinely affordable housing onsite. Reading affordable rent' is defined as rental levels capped at 70% of market rates. The level at which 'Reading affordable rent' has been set has been calculated with reference to the affordability of housing in the local area for Reading's residents, based on a median household income, spending 35% of that income on housing. Clearly the affordability of housing in a given local area is a variable, and therefore we support the fact that the Council will produce an annual statement specifying what 70% of market rents equates to for Reading and publish this on its website. Providing homes which are genuinely affordable should be a process which is under constant review	Noted. No change needed.

Name	Document reference	Representation	Council response
		and we support this monitoring and review mechanism.	
Aviva Investors	Paragraphs 4.5 - 4.10	We recognise and support the Council's intention to provide genuinely affordable homes within the borough through the introduction of Reading Affordable Rent. We also recognise and welcome the Council's consideration of the resulting impact on viability and proposed revision of tenure split to balance the impact on viability. However, the SPD's definition of Reading Affordable Rent (RAR) maintains a level of ambiguity in valuation terms. We would welcome further clarity from the Council regarding possible cap levels (if any, beyond a reduction to Market Rent) and the treatment of service charges. It is also unclear whether the Council intends to publish prescribed rents annually for use in viability assessment, or whether an assessment may be scheme specific, whilst having regard to submission timings and site characteristics.	Noted. Change proposed. It is not intended that the Reading Affordable Rent be applied on a scheme-specific basis, and levels should be set according to the levels in the SPD or subsequent annual updates. The Reading Affordable Rent cap will include service charges, and this should be clarified in the SPD.
Berkeley Group	Paragraphs 4.5 - 4.10	Paragraph 4.6 defines 'Reading affordable rent' as rental levels capped at 70% of market rates. Paragraph 4.9 explains that the purpose of 'Reading affordable rent' is to strike a balance between maximising the amount of affordable housing which can be secured on-site and ensuring that rents are at a level which are genuinely affordable to those in housing need in Reading. RBC's report to the Policy Committee on 28th September 2020 sets out at paragraph 4.4 that: 'Reading Affordable Rent' equates to a cap of 70% of market rents and is pitched at a level considered to be affordable to those in housing need in Reading. In the past, policies have sought social rent (at target rent level) or affordable rent (up to 80% of market rents), but it is considered that a more locally-specific approach is justified and would result in the	No change proposed. The viability of affordable rent at higher than 70% of market rent was already assessed as part of the Local Plan evidence base. The Viability Testing Report (March 2018) assessed affordable rent provision as being 80% of market rent or LHA levels, and found that a 30% affordable housing requirement with 70% affordable rent at this level together with 30% shared ownership was viable. The purpose of the additional viability assessment work was to identify whether discounts that resulted in genuinely affordable housing to Reading residents could be delivered viably as part of a 30% affordable housing mix. These assessments identified rents of 65% or 70% of market levels as being genuinely affordable. The SPD should be amended to set out how this was calculated, but it

Name	Document reference	Representation	Council response
		most significant on-site contribution to secure genuinely affordable housing. This has been subject to viability testing, which found that the mix of tenures sought is viable in most scenarios." Annex 2 of the NPPF sets out conditions that affordable housing for rent must meet, including that the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable). Our client does not consider that sufficient evidence has been provided to justify the proposed 'Reading Affordable Rent', either within the SPD or as part of any other separate documents. Indeed, the assessment of the viability of different rents undertaken by BPS considers only three options, none of which are based upon rent at more than 70% of market rents. In so doing, the assessment does not provide any evidential basis to support the above claim that 'a more locally-specific approach is justified' and that discounting market rents by 30% is necessary or appropriate. As such, it is unclear how the conclusion in paragraph 4.13 of the Policy Committee report from 28th September has been reached. Paragraph 4.13 states: 'Ultimately, this comes down to trying to strike a balance between achieving as much on-site affordable housing as possible and setting rents at a level which is genuinely affordable. The Reading Affordable Rent option with rents set at 70% of market rents is considered to be the option which strikes that balance best'. To this end, our client does not consider this assessment to be sufficient to justify the proposed 'Reading affordable rent' which departs from the	was based on a median weekly household income spending at most 35% of income on housing. Once it was established that a mix including affordable rent at 70% of market rents would generally be viable, due to increasing the proportion of shared ownership, there is no need to assess further rental levels between 70% and 80%. It would be likely that these could also result in viable mixes, but they would defeat the object of setting rental levels that are genuinely affordable. In terms of whether Reading affordable rent is compliant with the NPPF Annex 2, this states that the definition of affordable housing for rent includes that *"(a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable);"*. The 70% rate is at least 20% below local market rents. There is nothing explicitly in the NPPF that states that rental levels at a greater discount than 20% cannot be expected by local authorities.

Name	Document reference	Representation	Council response
		NPPF's suggested approach of a 20% reduction to market rents.	
Sovereign	Paragraphs 4.5 – 4.10	We are in support of the 'Reading affordable rent' to support affordability. Allows RP's to bid on sites on a level playing field. However, there is a knock on viability effect for the site for the RP. As the rent is inclusive of service charges, the RP will cover excess service charge costs in perpetuity that the estimated SC may not cover.	Noted. No change needed. This effect is understood, but is part of ensuring that housing is genuinely affordable to those in need.
Fisher, Samuel	Paragraph 4.6	Where will the Council find the extra 30% for the subsidised "Reading affordable rent"?	No change proposed. The Council does not generally subsidise affordable housing provided by private developers. Homes will be provided by the developer and will need to be factored into their finances, and will then generally be passed to a registered provider.
Sovereign	Paragraph 4.11 – 4.14	We are still working through the detail and modelling of the new Shared Ownership product changes and the First Homes scheme. Once we have the detail of a new lease from April 2021, we will need to work with Reading to agree this new protocol. The current SO Reading protocol has worked well.	Noted. No change needed. The Council looks forward to working with Sovereign on this.
Sovereign	Paragraph 4.27 - 4.30	Although the majority of our Shared Ownership customers are not downsizers, we still sell to this type of demographic. More reference could be given to seeking opportunities to create more shared ownership opportunities for older people – to help free-up under-occupied local homes. Especially where new schemes might be affordable to older people seen as being asset rich but income poor.	Agreed. Change proposed. The potential for shared ownership to accommodate downsizers should be referred to.
Berkeley Group	Paragraph 4.12	Our client notes that paragraph 4.12 of the draft SPD sets out that RBC's view is that homes for sale at 80% of market value in Reading do not represent a truly affordable product that meets needs and that, on that basis, RBC will not expect the provision of	No change proposed. The SPD does not state that the Council considers that starter homes fall outside the definition of affordable housing, rather it points out that they are not in reality affordable in the same way as other products. If starter

Name	Document reference	Representation	Council response
		starter homes as part of developments. Starter homes are included with the NPPF's definition of affordable housing and our client does not consider that RBC has provided any justification for its approach which is contrary to the NPPF.	homes are proposed, they will need to be assessed using the relevant policy, including the NPPF, but there is no requirement for the Council to actively seek provision of starter homes as part of on-site provision.
Aviva Investors	Paragraph 4.13	We welcome the Council's acknowledgement of the planned introduction of First Homes as an alternative form of affordable housing tenure. We look forward to reviewing the Council's updated guidance in this regard in due course.	Noted. No change needed. At the time of adoption, changes to the NPPF to introduce First Homes had not yet been made. It is not considered that the SPD should be held up awaiting these changes.
Berkeley Group	Paragraph 4.13	Paragraph 4.13 of the SPD acknowledges that the Government consulted upon a proposed requirement for 25% of affordable housing provided on-site by private developments to be in the form of 'First Homes'. Our client notes that the SPD as drafted makes reference to the consultation but does not specify First Homes as a potential source of affordable home ownership units. The potential impact of First Homes becoming part of affordable housing provision has also not been tested within the viability assessment which underpins the SPD's proposed tenure mix. To ensure that the SPD remains up-to-date, it is important that the final version takes account of any such requirement imposed nationally.	Partially agreed. Change proposed. The text should be amended to clarify that First Homes is an affordable housing product. At the time of adoption, changes to the NPPF to introduce First Homes had not yet been made. It is not considered that the SPD should be held up awaiting these changes. The Viability Assessment was undertaken to take into account affordable housing requirements at the time of adoption.
Berkeley Group	Paragraph 4.14	Paragraph 4.4 of the draft SPD states that the 'tenure expectations have been subject to viability testing to ensure that developments should generally be able to provide policy-compliant affordable housing at these levels without an adverse effect on viability levels'. Paragraph 4.10 goes on to say that the requirement for 62% of affordable housing to be 'Reading affordable rent' was 'found to be generally viable in most scenarios'. In light of RBC's recognition that the proposed tenure expectations will not be achievable in all scenarios without an adverse effect on viability, our	No change proposed. If overall on-site affordable housing provision is reduced below 30%, the scheme is already in a situation where it is not complying with local plan policy, which, where up-to-date, takes precedence over national policy. In these cases, increasing the proportion of the affordable that is for ownership will further reduce the amount of housing available for those in greatest need. As set out in paragraph 64, the 10% should not be applied where it will *"significantly prejudice the ability to meet the identified affordable housing needs of specific*

Name	Document reference	Representation	Council response
		client requests that the SPD includes increased flexibility in terms of the tenure mix to be provided. In this regard, our client objects to paragraph 4.14 of the draft SPD. Paragraph 4.14 identifies that the priority for RBC is the provision of homes rented at 'Reading affordable rent' on the basis that affordable homes for intermediate sale make a less significant contribution to those in housing need in Reading than affordable rented homes. For this reason it is stated that 'if the overall on-site affordable housing provision is reduced below 30% for viability reasons, it will not be considered acceptable to increase the proportion of that provision that is shared ownership or other affordable sale purely in order to continue to meet the 10% requirement of the NPPF'. However, Paragraph 64 of the NPPF states: 'Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership[29], unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development: a) provides solely for Build to Rent homes; b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students); c) is proposed to be developed by people who wish to build or commission their own homes; or d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.'	*groups".* The Council considers that in these cases it would significantly prejudice the ability to meet the needs of those for whom only Reading affordable rent would be affordable and who are not in a position to take advantage of affordable home ownership products. It is not agreed that, where the overall affordable housing proportion does not comply with national policy, the suggested change adds more flexibility. In fact, it would reduce flexibility by requiring affordable home ownership products to be 10% of overall provision. It is important to note that the SPD does not state that a greater proportion of affordable home ownership will be prevented under any circumstances where the overall proportion is not policy-compliant, rather that it will not be accepted purely in order to meet this clause of the NPPF. Instead, it will need to be justified on a viability basis, as for other forms of non-compliance with local policy.

Name	Document reference	Representation	Council response
		Importantly, footnote 29 of paragraph 64 states 'as part of the overall affordable housing contribution from the site'. RBC acknowledge this within paragraph 4.11 of the report to Policy Committee, setting out in relation to the options for tenure mix that 'there is one set parameter, in that the NPPF states that at least 10% of major residential developments should be available for affordable home ownership products, which therefore equates to approximately 30% of the affordable portion of major developments'. Our client does not consider that RBC have provided sufficient justification for their proposed departure from the NPPF in circumstances where policy-compliant affordable housing provision is proven to be unviable. Therefore, our client objects to paragraph 4.14.	
Shinfield Parish Council	Paragraphs 4.15 – 4.26	Build to Rent is a very new phenomenon (Reading's first scheme is under construction in 2020, and there are expected to be more schemes across the Thames Valley. Build to rent involves purpose-built development held in a single ownership and intended for long-term rental. It has recognition in the NPPF which includes acceptance that this form of development has characteristics which necessitate a distinct approach to affordable housing. Affordable private rent is a housing tenure introduced in the NPPF specifically to form the affordable housing element of build to rent developments. We note and support the fact that the draft SPD is trying to capture an affordable housing contribution from Built to Rent schemes (in a similar way to market housing schemes; with 30% of dwellings to be affordable housing on schemes of 10 or more units), with on-site provision in the form of 'affordable private rent'.	Noted. No change needed.

Name	Document reference	Representation	Council response
		We also support the fact that the SPD is now adaptable with respect to who the provider is. The key difference with affordable rent is that it can be provided by the owner of the build to rent development rather than by a Registered Provider, which shows the shift which has taken place in recent years. Irrespective of who the provider is, the SPD correctly insists that as for other forms of affordable housing, it must be at least 20% below local market rents.	
Turley	Paragraph 4.16	Paragraph 4.16 – We note that the 30% provision is somewhat out of step with national policy, as set out in the PPG which states that: "20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark." Adopted policy H4 is linked with the viability considerations in policy H3 (affordable housing) and we feel that this should be reflected within the text in this paragraph of the SPD. A simple additional line in this paragraph to recognise that there may be viability considerations would be helpful.	Agreed. Change proposed. This can be reflected by an amendment to paragraph 4.16.
Turley	Paragraph 4.17	It is important that the requirements of this paragraph remain in step with the national picture. The PPG is clear that "National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within	Change proposed. It is not agreed that a review of the SPD would be required in the instance that LHA is no longer in place. It is correct that the PPG links changes in affordable rents to changes in market rents. The SPD currently states that, should LHA be removed, the applicable rent will be the last published LHA as amended by changes in the CPI. It is agreed

Name	Document reference	Representation	Council response
		the development." (Paragraph: 002 Reference ID: 60-002-20180913) The latter sentences of this paragraph seek to facilitate amendments to the Council's approach if there are changes to the LHA levels. This should be deleted and a partial review of the SPD undertaken at that time if required.	that, in the context of the PPG, it is more appropriate to link this to changes in market rents.
Turley	Paragraph 4.21	This paragraph introduces a requirement that properties should be marketed exclusivity to households nominated by the Council. The PPG is clear that: "Eligibility should be determined with regard to local household income levels, related to local rent levels. Where authorities maintain an 'intermediate housing list' they may wish to suggest names from this, or potentially even their Statutory Housing list, taking into account the affordability of the homes to those on the list. Authorities should refrain from having direct nomination rights from their housing list." (Paragraph: 009 Reference ID: 60-009-20180913") The nomination policy for any specific development should be included within the Section 106 related to that site. There is no need for this stipulation in the SPD and it should deleted. Although the criteria listed in paragraph 4.21 is noted, the last sentence should be deleted. A developer may feel it necessary to set out further additional eligibility criteria and these can be included in the Section 106 Agreement.	Partially agreed. Change proposed. The content of the PPG is noted, but the Local Plan is clear in paragraph 4.4.35: "Affordable Private Rent Housing must be allocated in the first instance to eligible households on Reading's housing waiting list." As the PPG talks specifically about nomination rights, this specific wording in the SPD can be changed, but it needs to be in line with the adopted Local Plan wording around the housing list. It is agreed that changes should be made to 4.21, but the SPD needs to make the Council's position clear, and that will be that additional criteria require justification.
Fisher, Samuel	Paragraph 4.21	What happens to tenants who repeatedly fall into rent arrears and / or commit crimes when living in Affordable Housing?	The actions described are all breaches of tenancy. We would expect all social landlords, including the Council, to work with tenants to understand the cause of this behaviour with the hope of preventing future issues. If this is unsuccessful it is anticipated that legal action is commence that

Name	Document reference	Representation	Council response
			may result in a person being evicted from their home.
Turley	Paragraph 4.23	We would note that notwithstanding policy H4 referring to a 20 year period, the current industry approach is a 15 year period, rather than 20 years. Although it is appreciated that the SPD cannot change policy H4, the Council should be mindful of the approach that may be taken moving forwards.	Noted. No change needed. As noted in the representation, this period is part of adopted policy H4 and was subject to specific discussion at examination stage.
Turley	Paragraph 4.25	We see no justification for the last sentence in this paragraph, which refers to 30% of the uplift in value to be captured as a financial contribution in the circumstances of conversion to other tenures. The PPG states (at Paragraph: 007 Reference ID: 60-007-20180913) that "Planning authorities should recognise that build to rent operators will want sufficient flexibility to respond to changing market conditions and onerous exit clauses may impede development." We have seen no justification for the 30% stated in this document, and as such this should be deleted.	Change proposed. The same section of the PPG is clear that *"Circumstances may arise where developers need to sell all or part of a build to rent scheme into owner occupation or to multiple landlords or, exceptionally, to convert affordable private rent units to another tenure. The section 106 should consider such scenarios and, in particular, include a mechanism to recoup ('clawback') the value of the affordable housing provision that is withdrawn if affordable private rent homes are converted to another tenure."* With regard to sale of build to rent units, the PPG does not dictate an approach, stating that *"Clawback could be calculated by reference to viability and values at the time of the original application, or values and viability when the scheme is sold"*. This representation does not suggest any alternative mechanism for recouping the value. PPG does suggest that developers could submit a 'build for rent' and 'build for sale' scenario, and the SPD echoes this in paragraph 4.26. However, elsewhere in the SPD, a 30% on-site contribution equates to a financial contribution of 15% of the GDV. It makes sense to bring these requirements into line with this, and reduce the proportion of the uplift to be captured to 15%.

Name	Document reference	Representation	Council response
Turley	Paragraph 4.26	This stipulates that in the instance that an affordable private rented unit were converted to market tenure, a financial contribution of 50% of the sale price would be required. Again, there is no justification for that figure, which seems excessive and does not reflect the practicalities of a marketplace that will likely change significantly over the coming years. This matter should be dealt with through the Section 106 process, not via a catch all figure. That figure is referenced at paragraph 5.9 of the SPD, but the stipulated market evidence is not presented along with this document and cannot therefore be robustly considered.	No change proposed. Affordable housing should be secured in perpetuity, and the Section 106 should not allow for future net loss of affordable housing. If this is to be dealt with in the Section 106, as proposed, there will need to be some basis for undertaking that discussion. The preferred approach as set out in the SPD is that, in this scenario, an affordable private rented unit should be converted to another affordable tenure, or that another unit should be provided within the scheme or elsewhere. However, if this is not the case, it will be for the Council or another provider to make up the shortfall, and the financial contribution should therefore cover the cost of doing so. Planning Practice Guidance suggests a calculation of the percentage rental discount of the unit applied to the sale price, which would usually mean around 20%. However, this is highly unlikely to cover the cost of providing an alternative unit. The 50% of sale price has been used elsewhere in the SPD as the cost of providing a new unit of affordable housing. The SPD should be changed to allow for an alternative calculation to be agreed between the parties if necessary, but if not it is considered the 50% should be the default.
Berkeley Group	Paragraph 4.27	Our client supports the reference in paragraph 4.27 to the size and type of affordable housing to be secured on-site needing to take the circumstances of the site and the development into account. Our client acknowledges that identified needs should be reflected in the mix to be provided as far as is feasible; however, the nature of schemes will determine the types of affordable units which could be provided. As such, it is important that RBC have	Noted. No change needed.

Name	Document reference	Representation	Council response
		flexibility in terms of unit type and size to be provided on-site.	
Sovereign	Paragraph 4.27 - 4.30	Consideration given to lifetime homes?	No change proposed. It was a requirement of previous development plan policy that all new homes (market and affordable) were to Lifetime Homes standards, but this has now been replaced in the Local Plan by a requirement that all new homes meet accessible and adaptable standards in the Building Regulations. This is referred to in paragraph 4.31.
Sovereign	Paragraph 4.27 - 4.30	Has the strategy considered HOP provision?	No change proposed. Housing for older people is not considered a significant pressure in Reading at this time.
Sovereign	Paragraph 4.28	The strategy asks for more family accommodation (2 bedroom plus) in Reading, however the brownfield developments that are coming up are generally presented as flatted sites. Are Reading able to incentivise developers to consider lower yield developments?	No change proposed. In order to deliver the amount of new homes set out in policy H1 of the Local Plan, around half of the development will be in the town centre, most of which will inevitably be flatted. Outside centres, policy H2 expects that at least 50% of the homes will be three-bed or more.
Sovereign	Paragraph 4.28	Due to C-19, housing intelligence suggests that the market has dipped for apartments, and a growing need for outside space, study spaces, and requirement for maisonettes rather than flats. Less interest in dense town centre locations/ commuter location/ housing types – potential for people to want to under-occupy? Is this being considered?	Reading has very few options in this regard. The types of sites that are typically available to meet housing needs in the Borough will not always be able to deliver houses with gardens. Policy H2 in the Local Plan seeks larger accommodation outside centres, but actively seeking larger accommodation everywhere will mean meeting a smaller proportion of the overall housing need.
Cooper, Andrew	Paragraph 4.31	In respect of design, quality and layout, I would suggest that the design, construction and quality of the affordable housing should also be in keeping with the market housing of the surrounding and adjacent residential area. I agree that all residents of new developments should be able to enjoy a high quality of life, and therefore affordable housing should have a high quality design. The SPD ought to specify that affordable homes need to be of an adequate size,	Change proposed. The SPD seeks to ensure that the affordable homes are of a high-quality design. Matters such as internal size and outdoor amenity space are dealt with for all forms of housing including both affordable and market in the Local Plan. This paragraph can be amended to make this clear.

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		and be provided with an ample outdoor private garden for amenity, and for a high quality of life.	
Berkeley Group	Paragraph 4.32	Our client welcomes the recognition within paragraph 4.32 that 'for practical reasons, it may be necessary for affordable homes to be provided in groups rather than 'pepper potted' around a development'. Whilst our client supports the provision of affordable housing as part of 'tenure-blind' schemes, as required by paragraph 4.31, it is not always practicable or achievable to pepper-pot affordable units, particularly in flatted schemes. In this context, RBC's pragmatic approach is supported.	Noted. No change needed.
Cooper, Andrew	Paragraph 4.32	I would think that affordable housing should be grouped rather than pepper-potted around a development, perhaps for commercial reasons. However, this is not the same as segregation, as affordable housing ought to be located near to the entrance of a development for easy access to existing local services and facilities including public transport, or near to the facilities within a new development, where these are provided. Affordable housing should not be located at the far end of a development, as can often be the case, or within a cul-de-sac; though in any case a well planned development ought to have high quality permeability.	Change proposed. This is unlikely to be an issue within schemes in Reading, because sites are not generally large enough that there is any material difference in accessibility to facilities within a site. However, a minor amendment can be made to highlight the need to ensure equal access to local facilities and transport links.
Sovereign	Paragraph 4.32	The location and mix of tenure in s.106 is determined by LA, and we/ other RPs would want to be involved earlier in the engagement process. Would Reading consider partnership working with an RP when designing the mix? The passage of delivery as a partnership could be improved and developed.	No change proposed. Whether or not the RP can be involved earlier in the process depends on when a developer is able to bring a RP on board. Paragraph 8.4 encourages the developer to bring an RP into the process at the earliest possible stage, ideally at pre-application stage.
Cooper, Andrew	Paragraph 4.33	I believe there is some scope for reduced car parking provision for affordable housing, and you may be able to draw on evidence from existing affordable homes within Reading or similar locations elsewhere to support this. Having said that, the parking layout	No change proposed. It is not agreed that car parking levels should differ between market and affordable dwellings on site, as to do so would potentially disadvantage the residents of the affordable homes, who may well need access to a car. Parking layout will depend on the form of

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		should be the same for market and affordable homes, e.g. on-plot driveway parking.	development, and a large proportion of the development in Reading will be in the form of flats, where driveway parking is not possible.
Sovereign	Paragraph 4.33	Parking required in the locality of the dwelling	Partially agreed. Change proposed. Not all affordable (or market) homes in Reading will have car parking provision, but the SPD should ensure that there is no difference in access to parking spaces between market and affordable dwellings on the same site.
Fisher, Samuel	Section 5	Will the provisions of this entire section allow Developers to "segregate the affordable elements"? Which is in contrast to clause 4.32.	No change proposed. The Local Plan makes clear the circumstances in which off-site provision will be accepted, and that (for sites of 10 dwellings or more) this will be in exceptional circumstances. There is a need for the SPD to deal with these situations.
Fisher, Samuel	Paragraph 5.5	This clause will allow Developers to produce houses that are not of "the design, construction and quality of…any market hosing on the site". Which is in contrast to clause 4.31 and will create a two tier system of housing development. How will you stop Developers constantly doing this?	No change proposed. This is a reference to the type and mix of housing to be provided on a surrogate site, e.g. number of bedrooms, not to the overall quality. This flexibility may be required in some circumstances.
Fisher, Samuel	Paragraph 5.6	What constitutes as "exceptional circumstances"? Are there to be limits on the number of "exceptional circumstances". How will this be calculated and monitored? Will there be repercussions for Developers who constantly use "exceptional circumstances" to enable them to place affordable housing off-site?	The exceptional circumstances are as detailed in paragraph 4.4.21 of the Local Plan, which states: *"Examples of exceptional circumstances may include sites where there are existing concentrations of particular types of affordable housing, where there are demonstrable benefits to be gained by providing the new units elsewhere (e.g. to create more socially-balanced communities), or where there is an opportunity to provide a particular type of much needed housing elsewhere (e.g. family housing)."* Not all exceptional circumstances can necessarily be foreseen in advance, and it is not possible to set quantitative limitations on how many exceptional circumstances there are. If the

Name	Document reference	Representation	Council response
			exceptional circumstances are genuine, there will be no repercussions for developers. If the Council does not agree that there are exceptional circumstances, it will not agree to an off-site contribution.
Inspired Villages	Paragraph 5.19	The Reading Borough Council Draft Affordable Housing SPD confirms at paragraph 1.6 that "residential care facilities (within the C2 use class)" will not be subject to Affordable Housing Policies. However, at Paragraph 5.19 of the Draft SPD, the Local Plan Methodology states that extra care housing 'tends to count as a C3 dwelling where it is a wholly self-contained residential unit' and as such financial contribution will be required for such dwellings on the basis of GDV. We request that Reading Borough Council appreciates that a retirement community falls within the C2 Use Class. A retirement community is clearly different from C3 dwelling houses as evidenced in Paragraphs 2.3 and 2.18 of the attached document. For example, Inspired Villages is responsible for the long term operation, management and ownership of the site, and maintenance of significant communal facilities. The typical quantum of such communal facilities in a typical Inspired Villages retirement community comprise approximately 25% of its floorspace as non-saleable space. This includes the communal and care facilities available to its residents. Furthermore, a retirement community is a single planning unit – the communal and care facilities and units are integrally linked, one cannot exist without the other. Legal & General retain the freehold ownership of the land and Inspired Villages is the operator. This means there is a long term interest in the operation of the village. It is not possible to subdivide a village to provide on-site affordable housing given the single planning unit and residents'	Change proposed. The comments about the distinction between accommodation within the C2 and C3 use classes are useful, and it is agreed that there is a spectrum of specialist provision, and that the type of accommodation that Inspired Villages offers may well fall within the C2 use class. Ultimately, the distinction between C2 and C3 depends mainly on the amount of care provided, and making this judgement will have to draw on existing case law, and needs to be a case-by-case judgement. Paragraph 5.19 has a specific purpose in calculating a contribution where one is required, not in determining whether a contribution is required in the first place. It is in any case a direct quote from the Local Plan, so there is no scope to amend this. A change to make clear that references to residential care include any forms of specialist housing that fall within the C2 use class are covered can be made to both paragraphs 1.6 and 5.13. As set out in paragraph 5.20 of the SPD, in those unusual cases where affordable housing is sought from C2 uses, it will be in the form of a financial contribution, as it is understood that division of the planning unit will not be possible. Where the distinct model for retirement villages affect the ability to make a financial contribution due to viability, a viability assessment will be required that clearly demonstrates this, as for other forms of accommodation.

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		obligations to pay service charge to contribute towards the provision of the facilities, staffing, etc. Our form of development falls squarely within the C2 Use Class, therefore, under the Draft Affordable Housing SPD a retirement community is not required to provide on-site affordable housing. However, under paragraphs 5.19 to 5.20 of the Affordable Housing SPD it appears that some types of development in the C2 Use Class will be required to provide a financial contribution. Again, we would direct you to understand the key ways in which specialist housing for older people differs in a number of ways that affect its viability as set out in the attached representation document. We would encourage the Council to take a proportionate approach to the requirement of affordable housing contributions from specialist operators such as Inspired Villages. Where retirement housing / age restricted housing is proposed, and which falls within the C3 use class (i.e. it provides housing with little if any facilities) then it is understood affordable housing may be sought – however, this is not the case with a retirement community as proposed by Inspired Villages.	
Berkeley Group	Paragraph 6.2	Our client welcomes the recognition in paragraph 6.2 of the SPD that the viability of residential development will vary from site to site and in some circumstances may affect whether a development can provide a level of affordable housing that complies with policy requirements. Viability is an important consideration for our client. Our client therefore welcomes the opportunity for open discussion with RBC and its external consultants, where relevant, regarding the viability of development proposals.	Noted. No change needed.
Fisher, Samuel	Paragraph 6.2	Will there be fines for Developers who constantly try to justify a lower affordable housing contribution?	No change proposed. The Council has no powers to levy such fines.

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Aviva Investors	Paragraph 6.5	We welcome the Council's specific recognition, in planning viability terms, for site's that are subject to a high existing use value, at paragraph 6.5 of the SPD.	Noted. No change needed.
Berkeley Group	Paragraphs 6.10 – 6.11	Our client recognises that the engagement of external consultants to review viability assessments may be necessary in some instances. Where submitted viability assessments are subject to external review, at the applicant's expense, our client considers that it is entirely reasonable that the outcome of the review is shared with the applicant in a timely manner. Our client recommends that the SPD is amended to specify this.	Agreed. Change proposed. This is a reflection of normal practice in any case, and can be reflected in an amendment to this paragraph.
Fisher, Samuel	Paragraph 6.11	Are planning applications as well as building works to be placed on hold until the viability assessment is completed?	No change proposed. Where it is required, a viability assessment is an essential part of determining a planning application, and permission cannot therefore be granted before the assessment is complete. This also means that building works cannot commence.
Berkeley Group	Paragraph 6.12	Paragraph 6.12 of the SPD sets out that, on the basis that RBC's policy is that an appropriate contribution to affordable housing will be made, where a reduced contribution to affordable housing is agreed at application stage a mechanism should be included within the Section 106 agreement that ensures that a proportion of increased profits are secured for affordable housing, referred to as a deferred contributions mechanism. Our client agrees with the principle of seeking an appropriate contribution to affordable housing provision and consider that a review mechanism can be appropriate. However, our client considers that a deferred contribution mechanism will not always be the most suitable approach to seeking affordable housing provision. For example, where betterment is agreed at application stage, our client does not consider	No change proposed. Betterment at application stage is welcomed but if an application still remains non-policy-compliant then a deferred payment mechanism is appropriate to provide opportunity to capture additional uplift from a development to seek to achieve policy compliance. A deferred payment mechanism is a means by which the Council can share in development value uplift but this does not add an additional risk as any mechanism is ultimately performance related. It is acknowledged in return for a further potential deferred payment upon completion of a development the Council is reducing the ability for a developer to fully benefit from any value growth which in itself can be an important element of scheme delivery and a developers risk/reward

Name	Document reference	Representation	Council response
		that it is appropriate to also require a deferred contributions mechanism. Moreover, it is important to note that developers in the market will tend to rely, to some extent, on growth in the market to achieve an acceptable margin on schemes that would otherwise not be viable. Sharing in that uplift therefore introduces additional risk, which can, as a consequence, make the cost of finance higher. In this regard, our client considers that the use of deferred contribution mechanism should be considered on a case by case basis, just as the appropriate form of the mechanism should be case-specific as stated in paragraph 6.14.	profile. However the Council has equally forgone full policy compliance at the grant of planning stage and by helping to facilitate a development is sharing the risk. Whilst the principles of a deferred contribution mechanism is outlined in the SPD the details of such a mechanism are considered on a case by case basis pertinent to the detail of each application.
Fisher, Samuel	Paragraph 7.11	Why are there different checks for developments of less than 10 properties? If checks are to be performed, they should be the same no matter the size of the development.	No change proposed. This SPD can only provide guidance to higher-level policy in the Local Plan. When the Local Plan was subject to independent examination, one of the modifications required by the Inspector was that developments of less than 10 dwellings should be subject to lighter-touch information requirements when assessing viability. The reason for this was to reduce the burden on smaller developers. The Local Plan could only be adopted subject to this (and other) modifications. This approach must therefore also carry through to the SPD.
Fisher, Samuel	Section 9	Key worker – will this definition be updated to include the "Key Worker" definition under Government Guidelines.	No change proposed. There is currently no Government Housing Programme for keyworkers. The new local Allocations Scheme is due to be published in the summer which will have a local definition included.
Berkeley Group	Appendix 4	Berkeley Partnership have reviewed the formulae which RBC intend to apply in the profit share approach, as set out in Appendix 4 of the SPD, and consider that the formulae could result in contributions being paid on assumed higher profits that have not, in reality, been achieved.	Change proposed. It is agreed that the calculation should refer to development costs rather than build costs in the deferred contributions formula, and Appendices 5

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		The formula for the deferred contribution (X) is considered to be too simplistic. Crucially, the formula does not take account of any deficit that the scheme may be in at the outset, as it considers only the uplift in value and uplift in build cost. As a result, the developer may be required to pay a contribution before the scheme has reached a viable position. The formula also takes no account of the uplift in any costs other than build cost. Again, this could mean that a developer could be liable for a contribution when a scheme remains unviable as uplifts in other costs, such as financing, are not taken into account. Our client consider that any review should comprise a full review of the viability using the same methodology as the original viability appraisal. The findings of the two appraisals should then be compared to identify whether the viability of the development has improved and it is reasonable to require any financial contributions towards affordable housing provision.	and 6 should make clear what are included as development costs. The purpose of the viability is to assess performance using actual inputs and not a comparison of the hypothetical viability at grant. The SPD makes clear that the profit share approach is not the only option, and if an alternative approach better reflects the circumstances of the site, this can be considered.
Berkeley Group	Appendix 4	The formula for the cap (Z) is also considered to be too simplistic. As a result, it could result in a contribution that exceeds the equivalent of achieving a policy compliant position. This results from the formula assuming that the impact of affordable housing on the viability of a scheme can be represented by the simple difference in revenue, which equates to 50%. This proportion of affordable to private sale value is assumed to be fixed regardless of the value of the private sale, which implies that the value of the affordable will increase at the same rate as the private sale which is considered unlikely to be true. The formula also takes no account of the difference in costs and profit expectations on private compared to affordable	Change proposed. The reference to a cap should be changed to an upper limit. The purpose of the formula is to ensure that a development does not end up paying more than the policy-compliant level. In most cases, the use of the proportion of GDV will be sufficient as a proxy. This has remained a consistent policy approach through the life of the previous SPD, and is consistent with the approach set out in this SPD. The SPD should be amended to make clear that an alternative approach can be agreed where it better reflects the circumstances of the site.

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		housing, thus exaggerating the amount needed to achieve the target affordable housing provision. Furthermore, the 'cap' is not a fixed figure but depends on figures that are not able to be calculated at the outset. It is therefore not a cap. To be a fair cap, the formula should use the same methodology as the original viability to calculate the difference in the benchmark margins between the proposed scheme as consented and a scheme that delivers the policy target level of affordable housing. That difference should be the cap which would then fairly represent the uplift needed to achieve RBC's target level of affordable housing.	
Aviva Investors	Appendix 5	The definition of Benchmark Land Value included in Appendix 5 (Page 37) departs from the recognised national planning viability guidance. We would welcome a further review of the proposed definition and would welcome an opportunity to discussed this with the Council in due course.	No change proposed. The Council refers to the `EUV plus' approach in Appendix 5 which reflects the definition in the National Planning Viability Guidance. The Council also accepts the principle of AUV where this can be justified, which broadly accords with the principles of the National Planning Viability Guidance and in accordance with para 57 of the NPPF.
Berkeley Group	Viability Testing Report	Berkeley Partnership have reviewed the report on viability testing of affordable rent tenure options prepared by BPS. The report is considered to be flawed, particularly in respect of the robustness of analysis of the impact of reducing affordable rents in Reading from 80% of market rents to 70%, for the reasons set out below. Paragraph 1.3 of the report states that the aim of BPS' work was 'to use the baseline of appraisals created in respect of the Local Plan viability evidence base to test the impact of a number of potential changes'. Paragraph 1.4 sets out that 'the intention of the review is to consider the impact of a potentially increased proportion of affordable rented	No change proposed. The report specifically does not assess the impact of market changes since the Local Plan report was prepared, precisely to ensure that the results are directly comparable. Paragraph 1.5 states that: "In view of the considerable economic uncertainty prevailing at the present time due to the Corona Virus the exercise has been based entirely on the assumptions underpinning the Local Plan viability evidence base which was concluded in March 2018."

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		tenure and a higher level of discount to market rental value'. Our client notes that, in addition to considering the impact of the reduced proportion of market rents, the report also analyses the impact of market changes. As a result, the report does not achieve the stated aim of comparing with the proposed change with the original Local Plan viability work, with the additional analysis of changes in market values meaning that direct comparison is not possible.	
Berkeley Group	Viability Testing Report	It is noted that there is an error in the table of rents provided at paragraph 2.4. The figure for the weekly rent of a 4 bed property based on 2018 rents is stated as £253; based on the previous table which identifies market rents, the figure should be £420. It is unclear whether this error is present within the data used as part of BPS' calculations.	It is noted that there is an error in the table of rents provided at paragraph 2.4. The figure for the weekly rent of a 4 bed property based on 2018 rents is stated as £253; based on the previous table which identifies market rents, the figure should be £420. It is unclear whether this error is present within the data used as part of BPS' calculations.
Berkeley Group	Viability Testing Report	Our client notes that BPS' work demonstrates that the proposed changes to tenure mix result in only 30.8% of the scenarios tested being viable, regardless of whether market rents are discounted to 65 or 70%. The Local Plan viability work identifies that 76.9% of schemes would be viable based on affordable rent being 80% of market rents. As such, it is clear from BPS' work that minor changes to the tenure mix can have significant impacts on the viability of development. In this regard, it is surprising that only three tenure options are tested as part of BPS' work, none of which include the affordable rent at 80% of market rents (the existing approach) or a percentage of market rents between 70 and 80%. Taking account of the above, our client does not consider that the report represents a robust evidence base to support RBC's proposed tenure mix. Indeed, the report identifies that the majority of scenarios tested are not likely to be viable based on current	No change needed. The two scenarios that result in only 30.8% of scenarios being viable are both at a split of 67% rented/33% shared ownership (scenarios 1 and 2). The SPD is not based on these two, but instead is based on Scenario 3, which reduces the amount of rent and increases the amount of shared ownership in order to find a viable position. This is described in the conclusion and leads to rented reducing from 67% to 62% and shared ownership increasing from 33% to 38%. This can be supported by 84.6% of scenarios.

Name	Document reference	Representation	Council response
		costs and values. Our client therefore considers that it is important that RBC maintain flexibility with regard to the tenure mix and quantum of affordable provision sought as part of development, having regard to site-specific viability assessments.	