

Stockton-on-Tees Borough Council
Supplementary Planning Document 8 – Affordable Housing
Consultation Statement

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Introduction

1. This statement is published in support of Supplementary Planning Document No 8 – Affordable Housing, in accordance with Regulation 12 of the Town and Country Planning (Local Planning) (England) Regulations 2012. It describes who has been consulted in the preparation of the document, the issues raised during the consultation and how these issues have been taken into account in the document.

Consultation

2. The first consultation draft of the SPD was consulted on between 22nd July and 2nd September 2013. The first consultation draft included reference to 20% affordable housing provision as the standard target. The Inspector in his report for the Appeal by Tiviot Way Investments Ltd against the refusal by Stockton Borough Council of a scheme for a free school and housing at Low Lane, Ingleby Barwick (Appeal ref: APP/H0738/A/13/219538) commented "... it is inescapable that the provision of affordable housing at a rate of 15% clearly falls within the range of 15-20% set out in CS Policy 8 criterion 5'.
4. The first consultation draft SPD was therefore withdrawn and replaced with a draft SPD which omitted the identification of 20% affordable housing provision as a standard target but deals with other affordable housing matters in greater depth than was possible in the first draft, given the very tight timeframe for its production. To all intents and purposes this is a new refreshed SPD and it was therefore recommended to Cabinet that it should be the subject of a fresh consultation. This recommendation was accepted.
5. The 11th December 2013 Full Council approved the publication of the refreshed SPD for a six week consultation between 18th December 2013 and 29th January 2014. A longer consultation than the statutory four week period was recommended, as the consultation fell over the holiday period. All consultees on the Local Plan consultation database were notified of the consultation and were invited to comment on the SPD. Information about the consultation was also placed on the Council's website.
6. Appendix 1 of this Consultation Statement sets out the issues raised by consultees, how the Council has responded and the outcomes for the SPD. Appendix 2 is a copy of the Council's webpage which provided information about the consultation.
7. There was a separate consultation with Registered Providers ahead of the formal consultation on the SPD. This is because the consultation with Registered Providers was an essential pre-requisite to establishing a robust detailed methodology for calculating commuted sums. This methodology was then included in the draft SPD that was formally consulted upon. A copy of the letter is Appendix 3 of this Consultation Statement.

Appendix 1: Responses to the consultation on the draft Affordable Housing SPD

Respondent	Section	Response	Council response	Outcome
Home Builders Federation		<p>Overall recommendation The Council should undertake a study of the cumulative impact of its policies and obligations to ascertain the overall viability implications of the plan, as required by the NPPF. This will not only enable the Council to identify viability issues with existing policies but inform the development of the Council's emerging Local Plan documents. If the evidence indicates that the affordable housing requirements are set too high the Council should seek to address this through a review of the policy.</p> <p>The assumptions used within the cumulative impact study should be informed by engagement with local developers and land agents operating within Stockton on Tees. The study should also be based upon the guidance produced by the Local Housing Delivery Group.</p>	Peter Brett and Associates are assisting the Council with Whole Plan Viability, which will in due course shape the Publication Draft of the Regeneration and Environment LDD.	No change to SPD
Home Builders Federation		<p>General comments The Council will be aware of the previous comments submitted by the HBF to the earlier consultation upon the affordable housing SPD in August 2013. The HBF is pleased to note that some of the issues raised have been addressed. The amendments do not, however, address a number of fundamental issues which were raised surrounding development viability.</p>	Comments noted	No change to SPD
Nathaniel		General comments	Peter Brett and Associates are	No change to SPD

Litchfield & Partners (NLP)		As previously advised, we consider that it would be beneficial if figures could be agreed now through the SPD for as many of the assumptions as practicable. This would minimise future discussions and provide a clear framework for appraisals. As such, we would be happy to meet with you and share our experience across the region and beyond. In particular, the cumulative effects of planning obligations and regulations must be fully factored in when considering viability.	assisting the Council with Whole Plan Viability, which will in due course shape the Publication Draft of the Regeneration and Environment LDD.	
Barratt David Wilson Homes		General comments BDW strongly advises the Council to engage with the industry and its advisers.	As per response to NLP above	No change to SPD
Appletons		General comments In general I find the proposals and policies outlined to be sensible and logical with the particular exception of paragraph 8.6 on page 24 under the heading of Viability Guidance with respect to the affordable Housing policies	Comments noted	No change to SPD
Evidence base				
NLP	Table 1	Table 1 of the SPD sets out the distribution of annual net rural affordable housing shortfall. The SPD should acknowledge the interdependencies between villages such as Carlton and Redmarshall, as set out in the Council's Rural Housing Need Assessment.	The SPD provides a brief summary of the evidence base. It does not need to discuss all of the issues raised by the relevant documents.	No change to SPD
	Evidence base Para 3.3	The 2012 TVSHMA we assume must not only addresses the need affordable homes, but also the demand for market homes. It therefore illustrates that the 'objectively assessed need for new housing' at 555 dwellings per annum is completely incorrect. It is 560 'affordable; homes per annum plus however many market houses the document evidences. This situation must be addressed	The Council's position regarding the objectively assessed need for new housing is set out in the Regeneration and Environment LDD.	No change to SPD

		urgently.		
Barratt David Wilson Homes	Para 3.4/3.5	As BDW were not party to the 2012 SHMA it simply asks the question was an EVA undertaken that demonstrated 15-20% target range and the 30/70 split.	The Economic Viability of Affordable Housing Requirements (EVAHR) study was published in 2009. This demonstrated the viability of the 15-20% target range with a 20/80 split. The 2012 SHMA recommended a 30/70 split. This has not been specifically viability tested but developers have commented informally that the 30/70 split is generally advantageous in a viability context.	No change to SPD
Barratt David Wilson Homes	Para 3.7 to 3.10	BDW objects strongly to the use of a 2007 report 'established in the context of market conditions in late 2007' to justify this Policy. It is considerably out of date.	The report recommended 'flexibility in applying this policy' and this flexibility has been incorporated into Core Strategy Policy 8: Housing Mix and Affordable Housing provision (CS8).	No change to SPD
Barratt David Wilson Homes	Para 3.8	Whilst we welcome 'flexibility', mentioned in Para 3.8, this must not be an excuse to introduce Policy which is not viable or sound. Flexibility should not be the norm, it should be for specific instances.	The Council is not introducing policy through the SPD. The flexibility is incorporated in Policy CS8 which is part of the development plan.	No change to SPD
Persimmon Homes		Economic Viability of Affordable Housing Requirements With regard to the economic viability evidence from which the affordable housing requirement within CS8 of 15-20% is drawn, together with the latest TVSHMA, we must raise concerns over the consistency of the approach used with National Planning Policy Guidance.	Whilst it is acknowledged that the baseline for the Economic Viability of Affordable Housing Requirements was in the context of positive market conditions, the report itself	No change to SPD

		<p>Paragraph 174 of the NPPF details that with regard to development viability LPA's should "assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards". The 2009 Economic Viability of Affordable Housing Requirements report simply identifies a nominal sum for Section 106 contributions and does not fully assess the cumulative impacts of all national and local standards, SPD's and policies.</p> <p>Due to the above non-conformity to national planning policy, in addition to the questionable validity of the evidence, given that recommended baseline policies were established in the context of the significantly more favourable 2007 market conditions, it is suggested that an update to the economic viability work be carried out to assess the cumulative impacts of national and local policies and obligations in the current market conditions in order to ensure that the adopted affordable housing policies remain justifiable and shall not undermine the delivery of marginal development sites.</p>	<p>acknowledged this and recommended '<i>flexibility in applying this policy</i>'. This flexibility has been incorporated into Core Strategy Policy 8.</p>	
Home Builders Federation		<p>Economic Viability of Affordable Housing Requirements</p> <p>It is noted that the economic viability evidence for the affordable housing requirement is based upon the 2009 report '<i>Economic Viability of Affordable Housing Requirements</i>'. As stated in our previous representations this report takes no account of the NPPF requirement to assess the cumulative</p>	<p>Whilst it is acknowledged that the baseline for the Economic Viability of Affordable Housing Requirements was in the context of positive market conditions, the report itself</p>	<p>No change to SPD</p>

		<p>impacts of plan policies and obligations upon development viability (NPPF paragraph 173). The Affordable Housing viability study simply identifies a nominal sum of £767 for section 106 contributions without any consideration of the cumulative impact of other plan policies and requirements. The study indicates that in the relatively favourable market conditions of late 2007 most sites would be viable at a level of 15-20% affordable housing provision. The HBF has significant concerns regarding the continuation with such a policy stance based upon an out of date study which does not take full account of the requirements within the NPPF (paragraphs 173 to 177). The market conditions in 2007 were very different to those experienced today and it is current viability which should be determining affordable housing requirements.</p> <p>The Council will be aware that upon publication of the NPPF the Council were provided 12 months to up-date plans to ensure consistency following its publication (paragraph 215). The HBF can find no evidence that the Council has sought to achieve such conformity. It is therefore recommended that the Council, as a matter of urgency, produces a whole plan viability assessment to justify the continued use of such policy requirements. If it is found that the affordable housing requirements can no longer be justified these should be amended through a review of the policy.</p>	<p>acknowledged this and recommended '<i>flexibility in applying this policy</i>'. This flexibility has been incorporated into Core Strategy Policy 8.</p> <p>Peter Brett and Associates are assisting the Council with Whole Plan Viability, which will in due course shape the Publication Draft of the Regeneration and Environment LDD.</p>	No change to SPD
Affordable housing delivery				
Persimmon Homes	Para 4.2	<p>Housing Standards and Design</p> <p>With regard to Para 4.2 we are supportive of the recommendation that affordable units within new development should be of a similar size and quality</p>	It is acknowledged that the requirement for affordable homes to be built to HCA standards should be restricted	The SPD will be amended to state that ' <i>Design and Quality standards should be agreed with the Registered Provider</i>

		to open market housing and be visually indistinguishable. However given the already significant financial burden that the provision of affordable housing can be upon new development we fundamentally oppose the requirement to construct all affordable homes to HCA design and quality standards. This is an added and unjustified expense to the cost of delivering affordable units on top of current national building regulation standards and it is our view that it should not be a requirement unless the scheme benefits directly from HCA funding. A failure to remove this stipulation will likely have a negative impact on the viability of future schemes and subsequently risk the delivery of the Boroughs Development Plan.	to affordable homes benefitting from HCA funding. However, if a scheme does not benefit directly from HCA funding the Design and quality standards should be agreed with the Registered Provider partner.	<i>partner unless the scheme benefits directly from Homes and Communities Agency funding in which case the HCA Design and Quality standards will apply'.</i>
Home Builders Federation	Para 4.2	Housing Standards Design and Layout Paragraph 4.2 of the SPD indicates that affordable housing must meet the Homes and Communities Agency (HCA) design and quality standards. The cost of supplying affordable housing is already a significant burden upon the development industry to which unjustified additional standards will only increase. The requirement for affordable homes to be built to HCA standards should be restricted to affordable homes benefitting from HCA funding.	As per response to Persimmon Homes above	As per response to Persimmon Homes above
Barratt David Wilson Homes	Para 4.2	Housing Standards and Design BDW object to 'all affordable housing units (meeting) the HCA design and quality standards or such national standards ...' There is no justification for such a requirement and no economic viability assessment shown for the impact.	As per response to Persimmon Homes above	As per response to Persimmon Homes above
NLP	Para 4.3	Trigger points for delivery We welcome that the SPD sets out that a phasing	The evidence for the trigger points is taken from previous	Paragraph 4.3 will be amended to delete ' <i>This shall</i>

		<p>scheme shall be agreed between the developer and Council with regard to the delivery of affordable housing. However, the evidence supporting the minimum trigger points set out at paragraph 4.3 of the SPD is not clear. Consequently, it is important that the SPD recognises that a flexible approach is required. This is cognisant of the implications that the timing of delivery of affordable housing has on scheme viability.</p>	<p>S.106 agreements. Trigger points are required in order to ensure that the affordable housing element is properly integrated with the scheme as a whole and this supports 'pepper-potting'. However, the Council does recognise that there is need for flexibility. Accordingly Para. 4.3 will be amended.</p>	<p><i>require, at least:’ and replace it with ‘The following is an indicative guideline. However, the Council will take a flexible approach where a developer can demonstrate that these trigger points have strongly negative implications for scheme viability.’</i></p>
<p>Barratt David Wilson Homes</p>	<p>Para 4.3</p>	<p>Trigger points for delivery BDW object to the requirement for 100% of the affordable to be handed over before ‘no more than 85% of open market’ housing is complete. This contradicts the ‘pepper potting’ ideal and takes no account of cash flow. No evidence given to justify this requirement.</p>	<p>As per response to NLP above</p>	<p>As per response to NLP above</p>
<p>Persimmon Homes</p>	<p>Para 4.3</p>	<p>Trigger points for delivery and pepper-potting With regard to the trigger points for the delivery of affordable homes we find that no justification is offered for requiring these delivery milestones to be met. It is suggested that the Council allow for greater flexibility within these trigger points by allowing for negotiations to be made on a site by site basis to allow for both the requirements of the Council (to secure affordable units) and the needs of the developer (to manage funds to ensure complete delivery of market and affordable units) to be met.</p> <p>Further to the above the principle of ‘Pepper potting’ affordable housing units, a principle supported by Persimmon Homes, shall be restricted if all affordable units are to be completed prior to</p>	<p>As per response to NLP above</p>	<p>As per response to NLP above</p>

		85% of the market homes.		
Home Builders Federation	Para. 4.3	<p>Trigger points for delivery The SPD (paragraph 4.3) indicates;</p> <ul style="list-style-type: none"> no more than 50% of the open market housing to be substantially completed prior to the handover of 50% of the affordable housing units no more than 85% of the open market housing to be substantially completed prior to the handover of 100% of the affordable housing units <p>The justification for such triggers is not clearly explained or justified. The HBF recommends that a more flexible approach be taken to such triggers and agreements be made between the Council and the developer early in the development process. Flexibility upon the timing of delivery of affordable housing can have significant implications upon scheme viability and therefore provide greater opportunities for the Council to deliver the required amount of affordable housing.</p>	As per response to NLP above	As per response to NLP above
Home Builders Federation	Para 4.5	<p>Trigger points for delivery and pepper-potting Paragraph 4.5 of the SPD actively encourages 'Pepper Potting' affordable housing across a site. The requirement to provide 100% affordable housing prior to 85% of the market housing being completed will restrict the potential to provide such 'Pepper Potting'.</p>	As per response to NLP above	As per response to NLP above
Barratt David Wilson Homes	Para 4.6	<p>Perpetuity conditions BDW believe that the perpetuity condition conflicts with the Registered Providers ability to raise finance and considers that the Council needs to discuss this point carefully with its partners.</p>	Registered Providers have been consulted in the draft Affordable Housing SPD and have not raised any concerns regarding this issue.	No change to the SPD
Barratt	Para 4.8	Affordable rents / Stair-casing / Affordable	Registered Providers have	No change to the SPD

David Wilson Homes	to 4.16	<p>Homeownership Register These paragraphs need to be discussed carefully with the Council's RP partners. BDW also raise the issue over what if an RP is not interested in the site, what does the developer do then?</p>	<p>been consulted in the draft Affordable Housing SPD and have not raised any concerns regarding this issue. Early discussions with Registered Providers could assist the applicant in establishing interest for the delivery of the affordable housing.</p>	
Off-site provision and financial contributions instead of on-site provision				
Home Builders Federation		<p>How a commuted sum will be calculated Tables 2 and 3 of the SPD indicate that the calculation of the commuted sum will be based upon the average borough house price. House prices vary considerably across the borough and the use of borough wide average may jeopardise the viability of more marginal schemes particularly in less marketable areas.</p> <p>To overcome such issues it is recommended that parts 'A' (average borough house price) and 'B' (registered provider purchase price per unit) be variable dependent upon the location of the development and the size and type of affordable unit to be provided. This will ensure that a two bed bungalow in a less desirable area will not be priced the same as a three bed house in a more desirable location.</p>	<p>In relation to the taking of average house prices and average Registered Provider Purchase Prices across the entire Borough, this approach has been arrived in response at in response to a representation on the previous draft Affordable Housing SPD. The Council would highlight two reasons: Firstly, the suggested 'more locally tailored calculation' requires a definition of locality which is may not be practicable. For example, if ward boundaries are used, there may not be sufficient up-to-date data within a single ward and some and a site may be on the edge of a ward boundary and have more in common with what may be markedly differing market conditions in the neighbouring ward. Secondly,</p>	<p>No change to the SPD</p>

			if a locally tailored calculation is taken in an affluent area then this has the potential to make the scheme unviable.	
Persimmon homes		<p>How a commuted sum will be calculated</p> <p>In reference to the methodology for calculating commuted sums we have a number of concerns we wish to raise. Firstly in relation to part A. The average Borough house price - it is important to note, and ensure, that this figure be drawn from completion sales prices only, not asking prices or a combination of the two.</p> <p>Our second concern relates to the taking of average house prices and average Registered Provider Purchase Prices across the entire borough. Sales prices and RP Purchase Prices vary significantly across the borough and the use of a borough wide average may jeopardise the viability of more marginal schemes in less marketable areas. As such it is recommended that a more locally specific average is taken i.e. by ward boundaries, etc. in order to give a more locally tailored calculation which shall enable the development of marginal schemes.</p>	<p>In relation to part A, the average Borough house price is drawn from completion sales prices only. The Publication version of the SPD has been amended so that this is based on the Tees Valley House Price Index. A widely recognised problem with determining an average house price is that a simple average selling price of houses sold within a period will be greatly affected by the precise mix of houses sold. The Tees Valley House Price Index seeks to remove this variation using weighted averages for detached, semi-detached, flats and terraces taking into account transactions over the previous 3 years. Additional smoothing is provided by using 3 month average rolling data.</p> <p>Regarding the use of average house prices and average Registered Provider Purchase prices across the borough</p>	<p>The data source for Average House Price in <i>Table 2 - commuted sum methodology – actual calculation</i> and <i>Table 3 - commuted sum methodology – template for indicative calculation</i> has been amended as follows:</p> <p><i>Tees Valley House Price Index – based on Land Registry price paid data – the average will be provided on a quarterly basis by the Economic Strategy and Intelligence team at Tees Valley Unlimited and published on the Council’s website. Upon request this can be broken down by house type.</i> (new text in italics)</p>

			please see response to HBF rep above.	
Cameron Hall		<p>How a commuted sum will be calculated As the Council is aware we submitted representation in connection with the earlier draft. We are pleased to note that our suggestions concerning the use of the average Borough house price in calculating the value of commuted sums for off-site provision have been included in this revised SPD. We would therefore now support the methodology outlined in Section 5</p> <p>We would however request a clarification on one issue relating to the calculation of the purchase price to be paid by the Register Provider. It is unclear whether it is proposed that a simple average 'purchase price/unit' will be proposed (irrespective of size & tenure) or whether the RP /Council, will in each instance, make a calculation based on the mix and tenure of the affordable housing to be provided that is equivalent to the mix of affordable dwellings they would otherwise have asked to be provided on site?</p>	<p>Comments noted and welcomed.</p> <p>The RP/Council, will in each instance, make a calculation based on the mix and tenure of the affordable housing to be provided that is equivalent to the mix of affordable dwellings they would otherwise have asked to be provided on site. The SPD will be amended to clarify this.</p>	<p>No change to the SPD</p> <p>Part B - Estimated Registered Provider Purchase Price per unit – in Tables 2 and 3 has had the following text added: - <i>'adjusted for the mix and tenure of the affordable housing to be provided'</i>.</p>
Barratt David Wilson Homes	Para 5.4	<p>How a commuted sum will be calculated What is the 'average Borough house price'? The data source given is the Land Registry Price Index. Does this measure average sales value over a period rather than average Borough house price? If it does, its drawbacks are obvious.</p>	As per response to Cameron Hall above	As per response to Cameron Hall above
Home Builders Federation	Para 5.9 and 6.3	<p>Tenure split The indication in paragraphs 5.9 and 6.3 of the SPD that the Council is willing to negotiate upon the tenure split is considered a positive step by the HBF. It is, however, recommended that the Council</p>	Both adopted and emerging plan policy allow for a tenure mix different from the standard target subject to robust	No change to the SPD

		take a more pragmatic stance on this issue and be prepared to provide greater flexibility. The provision of social rented housing is often more costly to the developer than intermediate housing and therefore will inevitably impact upon viability. In addition the Council's own evidence indicates that this requirement should not be static requirement. The split between social rented and intermediate housing shifted 10% (80:20 split to 70:30 split) between the publication of the 2009 and 2012 SHMAs. This indicates the variable nature of such needs.	justification being provided. Both adopted and emerging plan policy are therefore cognisant of the need for flexibility.	
NLP	Para 5.9	Tenure split Paragraph 5.9 sets out that Policy 8 allows for developers to demonstrate how and why a different split other than 70:30 (affordable rent and intermediate) would be more appropriate. Flexibility in tenure split is welcomed as this reflects the Council's evidence that the requirement is not static – noting the change from an 80:20 split to 70:30 split based on more up to date evidence in the Tees Valley Strategic Housing Market Assessment 2012 (TVSHMA).	Comments noted and welcomed.	No change the SPD
Barratt David Wilson Homes	Para 5.9	Tenure split Has an Economic Viability assessment of this 'up to date evidence' been undertaken.	The Economic Viability of Affordable Housing Requirements (EVAHR) study was published in 2009. This demonstrated the viability of the 15-20% target range with a 20/80 split. The 2012 SHMA recommended a 30/70 split. This has not been specifically viability tested but developers have commented informally	No change to the SPD

			that the 30/70 split is generally advantageous in a viability context.	
Home Builders federation	Para. 5.10	The timing of payments Paragraph 5.10 indicates the same triggers as those in paragraph 4.3. The comments made against paragraph 4.3 above are equally relevant to this section.	The evidence for the trigger points is taken from previous S.106 agreements. Trigger points are required in order to ensure that the affordable housing element is properly integrated with the scheme as a whole and this supports 'pepper-potting'. However, the Council does recognise that there is need for flexibility. Accordingly paragraph 4.3 will be amended.	Paragraph 4.3 will be amended to delete ' <i>This shall require, at least:</i> ' and replace it with ' <i>The following is an indicative guideline. However, the Council will take a flexible approach where a developer can demonstrate that these trigger points have strongly negative implications for scheme viability.</i> '
The Affordable Housing Tenure Mix				
Barratt David Wilson Homes	Para 6.2	Most up-to-date evidence This evidence should be discussed with the Council's RP partners.	The Council's RP partners have been given the opportunity to comment on the draft Affordable Housing SPD.	No change to the SPD
Persimmon Homes	Para 6.3	Affordable housing tenure mix Persimmon Homes is generally supportive of the preferred 70/30 tenure split, however it is important the policy is sufficiently flexible to ensure that the viability of sites is not jeopardised, particularly on smaller sites, by allowing developers to negotiate the final tenure split on a site by site basis to address market conditions. In doing so, it will ensure that the policy complies with Paragraph 50 of the NPPF which states that where a need for affordable housing has been identified, "policies should be sufficiently flexible to take account of	Both adopted and emerging plan policy allow for a tenure mix different from the standard target subject to robust justification being provided. Both adopted and emerging plan policy are therefore cognisant of the need for flexibility.	No change to the SPD

		changing market conditions over time”.		
Barratt David Wilson Homes	Para 6.3	Affordable housing tenure mix As comments to Para 5.9	See response to comments from same respondent on paragraphs 5.9	No change to the SPD
Viability Guidance				
Home Builders Federation		The ‘ <i>Local Housing Delivery Group: Viability Testing of Local Plans</i> ’ guidance, more commonly referred to as the Harmon guidance, provides a good summary of the issues which should be considered when assessing the viability of plan policies and obligations. This guidance has been used by the majority of Councils undertaking viability assessments across the country. Unfortunately it does not appear that the Council has had adequate regard to this guidance in identifying its requirements of developers in chapter 8 of the SPD.	The Harmon guidance is relevant in the context of ‘Whole Plan Viability’ (WBV) testing. Peter Brett Associates who have been commissioned to undertake the WPV testing and they will have adequate regard to the Harmon guidance.	No change to the SPD
Barratt David Wilson Homes	Para. 8.1	As outlined earlier BDW have seen no evidence that a target of 15% affordable housing is viable. The viability of the target should be demonstrated first, and flexibility be the exception. The onus of robust justification for the Policy lies with the Council.	The target range of 15-20% was tested through the Economic Viability of Affordable Housing Requirements study and is part of the statutory Development Plan as it is included in Core Strategy Policy CS8. All major residential planning permissions granted since the introduction of Policy CS8 have been consistent with the requirement to provide affordable housing within the 15-20% target range. This demonstrates that the target	.No change to the SPD

			range continues to be credible and robust	
Barratt David Wilson Homes	Para 8.2	As Para 8.1. Also why should the onus to pay for the Council's costs incurred fall on the developer? The Council has failed to justify or evidence its position. Demonstrating an unproven/unjustified position by the Council should not be a financial burden on the developer.	If the developer contends that provision within the target range is not viable then the onus is on the developer to demonstrate this and it is fair and reasonable that the cost associated with this should fall to the developer.	No change to the SPD
Home Builders Federation		<p>Gross Development Value Calculation</p> <p>The approach to land values is considered flawed. The SPD takes the residual land value (RLV) as the sum remaining out of the gross value of sales after deducting build costs etc. and after deducting a profit of 15% of the gross value of sales to be retained by the developer (a 15% profit is considered unacceptable and unrealistic in the current economic climate this issue is discussed in greater detail later in these representations). The NPPF (paragraph 173) is clear that;</p> <p><i>'To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.'</i></p> <p>Whilst it is recognised that a competitive return can be difficult to ascertain due to the differing aspirations of land owners the Harmon review</p>	<p>The GDV paragraph will be re-worded. A benchmark for the level of developer profit has not been included as the risk profile for different sites will vary. However, whatever level of developer profit is included in an assessment will need to be robustly justified.</p> <p>While in considering any relevant development application, the Council will</p>	<p>The GDV paragraph has been re-worded as follows: 'The appropriate profit level will depend on the nature of the project and the risk/reward scenario. The developer shall be required to provide written justification from a suitably qualified person for the level of development profit that is built into the financial appraisal. Profit on the affordable housing element would be expected to be lower, as there is no marketing risk, and this can either be shown separately or as a blended return across the whole scheme.'</p> <p>No change to the SPD</p>

	<p>advises the use of Threshold Land Values (TLVs). The TLV should represent the value at which a typical willing landowner is likely to release land for development, before payment of taxes (such as capital gains tax). Page 29 of the Harmon Guidance notes TLVs should be based on a premium over current use values and credible alternative use values, there are however exceptions to this which are discussed later in this representation. The guidance further states that the precise figure of the premium above current use value should be determined locally. In setting this figure the Council should discuss recent sales with developers and land agents working within the authority to ensure that it represents a sufficient premium to persuade landowners to sell. In setting a TLV it is important to include a 'viability cushion' as it is unlikely that land will come forward on the margins of viability. The use of such a cushion is advocated by the Harmon guidance. It has also been referenced in Examiner's reports such as the Greater Norwich Development Partnership CIL Examination. In which the inspector referenced the need for a 'substantial cushion'. The use of such a 'cushion' allows for landowner aspiration, as well as the potential differences in costs and values of individual sites. The viability cushion should also allow for the risks to delivery flowing from the potential for some sites to achieve a lower sales value than others. The SPD methodology provides no such cushion and as such will put marginal sites in jeopardy.</p> <p>In relation to greenfield sales the Harmon guidance notes that prospective sellers of such sites are</p>	<p>have regard to any relevant threshold land value at the appropriate time. However, it is not considered appropriate to publish these in any formal documentation as the market constantly evolves and specific site circumstances impact on the value of each site.</p> <p>Comments noted.</p>	<p>No change to the SPD</p>
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		<p>likely to be making once in a lifetime decisions, consequently the landowners expectations are not necessarily directly related to the economic circumstances of the locality. The Harmon guidance therefore recommends, in terms of greenfield sites, it will be necessary to make greater use of benchmarks, taking account of local partner views on market data and information.</p> <p>It is recommended that the Council actively engages with a number of local land agents and developers to ascertain the validity of the TLVs used in the viability study. The Harmon guidance (page 31) is clear that if such benchmarks are disregarded, there is an increasing risk that land will not be released and the assumptions upon which a plan is based may not be found sound. In terms of Stockton on Tees this will inevitably impact upon the 5 year supply, which in accordance with NPPF paragraph 49 will mean the relevant plan policies are considered out of date.</p>	Comments noted.	No change to the SPD
Persimmon Homes	Para 8.3	<p>Gross Development Value Calculation The approach of establishing a Residual Land Value by subtracting development costs and a 15% minimum development profit from the gross sales figure is a flawed approach. A profit of 15% would in the majority of sites be deemed unsatisfactory to provide competitive returns to a willing land owner and willing developer as required by Para 173 of the NPPF. Additionally we endorse the use of a locally determined Threshold Land Values including a 'viability cushion' as suggested within the Harmon review in order that marginal sites are not jeopardised by an inadequate assumed profit</p>	The GDV paragraph will be re-worded. A benchmark for the level of developer profit has not been included as the risk profile for different sites will vary. However, whatever level of developer profit is included in an assessment will need to be robustly justified.	The GDV paragraph has been re-worded as follows: 'The appropriate profit level will depend on the nature of the project and the risk/reward scenario. The developer shall be required to provide written justification from a suitably qualified person for the level of development profit that is built into the financial appraisal. Profit on the affordable housing element

		margin.		would be expected to be lower, as there is no marketing risk, and this can either be shown separately or as a blended return across the whole scheme.'
Barratt David Wilson Homes	Para. 8.3	<p>Gross Development Value Calculation This paragraph is objectionable. In the first instance it fails to define 'gross value of sales', build cost' and 'etc.' a profit margin of GDV of 15% is insufficient to provide a reasonable return to a developer. It is noted that 15% is less than the current 20% recommended by the experts on behalf of Stockton Borough Council and accepted previously. BDW attach the reports of independent experts into 'profit' or 'return' and highlights the words of Anthony Lee, an expert appointment by PINS into Stockton's own EVA. 'my experience is that banks will not provide funding for a scheme that shows a profit of less than 20% on GDV ... It is very difficult to predict if and when profit levels might fall back to 15%'. The Council has provided no evidence that the financial climate has changed yet it has made that decision.</p>	As per response to Persimmon Homes above	As per response to Persimmon Homes above
Appletons	Paras 8.3 to 8.7	<p>Gross Development Value Calculation I can follow the scientific approach outlined by the Council, which takes careful aim at the perceived value or end value of any development and deducts from it cost of sales, the costs of building and some as yet un-agreed and certainly not accepted) pre-determined amount for the builder's profit. Deducting the cost of sales, costs of building (which includes all manner of planning gain incidentally) and that guessed at and hoped for figure of</p>	Comments noted	No change to the SPD

	<p>recession such as the one we are currently experiencing (and hopefully we are beginning to see light at the end of the tunnel on that), there is absolutely no progress that can be made at all. No landowner is going to willingly agree to sell land at the sort of process being thrown up by the sort of prices your paper proposes. The best I can offer you is to look back historically at the figures that did induce landowners to sell prior to the recession kicking in, in 2007/08. At that time there was a dramatic range of value depending on where the scheme was and what quality it was going to be built out to however although averaging is a fairly awkward exercise I would suggest an minimum land value anywhere in Stockton would have been in the region of £400,000 per acre and a maximum of maybe £950,000 for the very best sites.</p> <p>Might I suggest that a very valuable way for you to proceed in this matter is to pass this calculation back to your most able and experienced specialist valuation department instead of staring from the position of the end result for the landowner being current use value plus a little bit, start from the position where the current use value for the landowner is an absolute minimum £4,00,000 per acre (case 1) and as maximum £950,000 (case 2) and then apply some form of indexing to the answers in order that the numbers keep pace with inflation moving forward. You will then be in a [position to make an informed judgement as to how much in terms of affordable housing the development can stand and indeed how much in terms of other matters of planning gain the development can stands. What you do about your</p>	<p>Comments noted</p>	<p>No change to the SPD</p>
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		<p>idea that developers profit is benchmarked at 15% of sales value I really do not know however my discussions with developers lead me to suggest that the minimum figure is more like 25-30%.</p> <p>Please do not forget about the Chancellors tax demand (just about everybody else does in the calculation and it really is not something that will simply disappear).</p>	Comments noted	No change to the SPD
Barratt David Wilson Homes	Paras 8.7/8.8	'Residual Land Value' appears to be based upon current use/alternative use value. There is no evidence provided that either of these sums is 'at a level for the landowner to be incentivised to sell'. Indeed Para 8.7 seems to indicate that a landowner will have such an incentive if the land value is above CUV/AUV. This is not the case. Para 8.8 appears to acknowledge this and states 'each case needs to be considered on its merits', by whom, how? This lack of clarity is objectionable.	The approach to assessing Residual Land Value is based consistent with the RICS Guidance note 'Financial Viability in Planning'. However, Para 8.8 will be amended to explicitly acknowledge the need for the landowner to be incentivised to sell above CUV/AUV.	Para 8.8 has been amended to read 'The amount of any premium <i>for the landowner to be incentivised to sell above Current Use Value / Alternative Use Value</i> will depend on the individual circumstances. There is no set addition and each case needs to be considered on its merits' (new text in italics).
Barratt David Wilson Homes	Paras 8.4/8.5	Paras 8.4/8.5 are confusing. It appears to state if the scheme is over RLV then immediately affordable housing at 15% will be required.	Para 8.4 will be re-worded to clarify that when viability is marginal a rate of affordable housing below 15% may be considered.	The following sentence has been added to Para 8.4 'However, on schemes where the viability is marginal a rate of affordable housing provision below 15% may be considered.'
Persimmon Homes	Para 8.10	<p>Dwelling Sales Prices and Land Values</p> <p>The viability assessment should rely on net sales revenues rather than sales prices as the net value takes into account discounts, sales incentives etc. and results in a more accurate depiction of revenues.</p>	Para 8.10 requires evidence to be provided regarding dwelling sales values and land values. It does not preclude the use of sales incentives.	No change to the SPD

NLP	Para 8.10	<p>Dwelling Sales Prices and Land Values It is important that when calculating viability, the calculation should rely on net sales revenues to reflect discounts and incentives that house builders inevitably offer.</p>	Para 8.10 requires evidence to be provided regarding dwelling sales values and land values. It does not preclude the use of sales incentives.	No change to the SPD
Home Builders Federation	Para 8.10	<p>Dwelling Sales Prices and Land Values It is important when considering information on sales values and rates the Council do not simply rely upon asking prices. The Harmon guidance correctly identifies that such values are often misleading. The assessment should rely on net sales revenues. This is the amount received by the home builder after allowing for discounts, sales incentives etc.</p>	Para 8.10 requires evidence to be provided regarding dwelling sales values and land values. It does not preclude the use of sales incentives.	No change to the SPD
Barratt David Wilson Homes	Para 8.11	The use of the term 'net sales area' when defining sales revenue, conflicts with the use of gross internal area, when defining build costs. This will lead to confusion. Both revenue and costs should be measured utilising the same 'index'. For example a Barratt Cheadle house type has a net sales area of 88.1m2 but a GIA of 105m2.	Para 8.11 will be re-worded to provide the clarity requested.	The first sentence of Para 8.11 will be re-worded to read 'Comparables should be analysed on a price per unit (square foot, square metre of Net Sales Area) basis or gross internal area if appropriate.'
Home Builders Federation	Para 8.15	<p>Building Costs The BCIS figures provide a useful guide to build costs but do not represent the whole picture. The Harmon guidance notes smaller more complicated sites are significantly more expensive to build, especially for high end bespoke developers and specialist accommodation for the elderly, as they are not able to achieve economies of scale. The Harmon guidance (page 34) does note;</p> <p><i>'Where significant proportions of development are likely to be particularly complex or high density, then adjustments should be made based on</i></p>	Comments noted	No change to the SPD

		<p><i>specific professional advice’.</i></p> <p>The Council also needs to consider the forthcoming changes to the Building Regulations arising from the Government’s zero carbon agenda. Which are likely to be implemented within the next few years. Whilst there is presently no definitive study the Zero Carbon Hub did in 2011 produce indicative costs (following publication of the latest definition of Zero Carbon) of meeting the governments zero carbon agenda. The study identified three different allowable solutions carbon prices to assist developers achieving the requirements. At the lowest tested allowable solutions price of £50 per tonne of carbon dioxide the additional costs (per unit) of meeting zero carbon are anticipated to range from £2,514 for a low rise apartment block to £7,160 for a detached house. The recently published Government consultation on allowable solutions uses £60 per tonne and therefore costs are likely to be in excess of those quoted above.</p>	Comments noted	No change to the SPD
Persimmon Homes	Para 8.15	<p>Building Costs</p> <p>In addition to BCIS figures Stockton Borough Council need to take into consideration the emerging changes to Building Regulations arising from the Government’s Zero Carbon agenda. The added cost of meeting these forthcoming requirements need to be factored in to build costs.</p>	Comments noted	No change to the SPD
Barratt David Wilson Homes	Para 8.15	<p>Building Costs</p> <p>The identification of individual costs are objectionable. The Council should know cost when they determined that a target of 15% affordable housing is viable. It appears to BDW that the Council are seeking detailed appraisal and this is not appropriate.</p>	The applicant should provide the appropriate viability assessment including building costs.	No change to the SPD

Barratt David Wilson Homes	Para 8.16	As Para 8.11	Para 8.11 will be re-worded to provide the clarity requested.	The first sentence of Para 8.11 will be re-worded to read 'Comparables should be analysed on a price per unit (square foot, square metre of Net Sales Area) basis or gross internal area if appropriate.'
Barratt David Wilson Homes	Para 8.17	As Para 8.15	The applicant should provide the appropriate viability assessment including building costs.	No change to the SPD
Barratt David Wilson Homes	Paras 8.18	There appears to have been no attempt to identify or understand what a 'charging rate' is, or what the difference is between a developer who sells homes and what an estate agent does? An estate agent for example does not run and fit showrooms. We attach a summary of what is involved in sales and marketing. The cost of this is an accepted 6% of GDV as evidenced by the HCA Toolkit 2009. Similarly the HCA Toolkit provides sums for legal fees, agents fees etc.	It is acknowledged that a section on marketing costs needs to be added to the guidance.	The following will be added to the development costs section: Marketing costs This should reflect any reasonable costs incurred by marketing directly relevant to the scheme.
Home Builders Federation		Sales Fees Paragraph 8.19 notes that sales fees will sometimes be provided in house. Whilst this is true for some larger volume builders they will still incur marketing costs which need to be considered.	As per response to BDW above.	As per response to BDW above.
Barratt David Wilson Homes	Para 8.20	Again the Council appear to show a lack of viability assessment to demonstrate the 15% affordable target. Again BDW point to the attached independent evidence and the HCA Toolkit 2009.	The target range of 15-20% was tested through the Economic Viability of Affordable Housing Requirements study and is part of the statutory Development Plan as it is included in Core Strategy Policy CS8. All major	No change to the SPD

			residential planning permissions granted since the introduction of Policy CS8 have been consistent with the requirement to provide affordable housing within the 15-20% target range. This demonstrates that the target range continues to be credible and robust. Any appraisal submitted can be on a private and confidential basis if stated by the applicant.	
Barratt David Wilson Homes	Para 8.22	Again the Council appear to want a full detailed appraisal. This is objectionable as such an appraisal is confidential to the Company. It is for the Council to have demonstrated the viability of the request for 15% affordable, not for the applicant to demonstrate it is unviable (except in exceptional circumstances).	As per response to BDW above.	No change to the SPD
Persimmon Homes	Para 8.23	Contingency The use of a 2-5% contingency is considered unsuitable. This should be increased to a minimum of 5% and be dependent upon the individual site and characteristics and the degree of risk involved.	In the experience of the Council's Land and Property team and of the District Valuer, a range of 2-5% is typical. The Council recently defended an appeal (APP/HO738/A/13/2/2193511) at which the principle issue was viability. A figure of 3% was agreed for contingency in the Statement of Common Ground. It is acknowledged that the point within the range of 2-5% that is selected will depend on individual site	No change to the SPD

			characteristics and the degree of risk involved.	
NLP	Para 8.23	Contingency The contingency level of between 2-5% set out at paragraph 8.23 is too low. The amount of contingency is dependent on the site characteristics and level of uncertainty. However, as a general rule, a minimum level of 5% is used within the development industry. As elsewhere, this figure is supported by the HCA and the Shinfield appeal decision.	As per response to Persimmon Homes above.	No change to the SPD
Home Builders Federation		The contingency range of 2 to 5% is considered far too low and unrealistic. Many developers will work on a minimum 5% contingency due to the inherent uncertainties of developing a site. The actual amount of contingency required will be highly dependent upon the individual site characteristics and the degree of risk involved. It should also be noted that the majority of local plan viability studies work upon a minimum 5% contingency. Examples include Thurrock, Newark and Sherwood, Barking and Dagenham and Bristol. It is unclear why Stockton on Tees should be any different and therefore the HBF strongly recommends that the Council use a 5% contingency as a minimum.	As per response to Persimmon Homes above.	No change to the SPD
Barratt David Wilson Homes	Para 8.23	Contingency should be 15%. Again the Council seem to fail to appreciate what a speculative developer does. BDW draw the Council' attention to the attached evidence and the HCA Toolkit 2009.	As per response to Persimmon Homes above.	No change to the SPD
Persimmon Homes	Para 8.24	Developer's Gross Margin % of GDV As stated above Persimmon Homes support the HBF's objection to the use of a 15% GDV for the reasons stipulated within the HBF representations.	The GDV paragraph will be re-worded. A benchmark for the level of developer profit has not been included as the risk	The GDV paragraph has been re-worded as follows: 'The appropriate profit level will depend on the nature of the

		We support the implementation of a minimum profit value of 20% GDV as used across many viability studies around the country.	profile for different sites will vary. However, whatever level of developer profit is included in an assessment will need to be robustly justified.	project and the risk/reward scenario. The developer shall be required to provide written justification from a suitably qualified person for the level of development profit that is built into the financial appraisal. Profit on the affordable housing element would be expected to be lower, as there is no marketing risk, and this can either be shown separately or as a blended return across the whole scheme.'
Home Builders Federation		Paragraph 8.24 indicates that a typical margin in the region of 15% of gross sales values is expected. It is unclear why the Council has chosen to retain such a low figure given our previous comments. The vast majority of local plan viability studies use a minimum profit value of 20% GDV. Examples of this include; Durham, Sevenoaks, Barnet and Barking and Dagenham. Indeed the Council's own evidence base identifies that; <i>'My experience is that banks will not provide funding for a scheme that shows a profit of less than 20% on gross development value'</i> (Stockton Borough Council: Economic Viability of Affordable Housing Requirements, 2009 paragraph 2.10.2). In addition I draw the Council's attention to the Shinfield Appeal Decision (APP/X0360/A/12/2179141) paragraph 44 which notes that a profit of 20% GDV is at the lower end of a range being reasonable. The Council's use of a 15% profit is unrealistic, not consistent with	As per response to Persimmon Homes above	As per response to Persimmon Homes above

		<p>current practice and therefore unreasonable.</p> <p>Given the current economic climate many lenders remain risk averse and are unlikely to lend unless reasonable profit margins are provided. The actual profit margin required will often be greater than 20% on GDV and is dependent upon a wide range of issues including development risk, site complexity and the developer's credit rating. It is therefore recommended that the Council takes a far more flexible stance to profit margin and as a minimum increases its 'expected' profit margin to at least 20% of GDV.</p>		
NLP	Para 8.24	<p>Developer's Gross Margin % of GDV</p> <p>As set out in our previous representation, a 15% developer's Gross Margin of GDV is too low. As a general rule the figure should be at least 20% and may even be higher for some of the more difficult to develop sites. We do appreciate that in some rare circumstances, lower rates may be acceptable to a developer but this should not be considered the norm.</p> <p>There are a number of examples of where developer's return for risk and profit has been determined within the planning system, all of which conclude that 20% should be the minimum level of profit considered:</p> <ul style="list-style-type: none"> • <i>"I also note that the DV sets the level of profit required as 18%, whereas I would expect a figure of 20% to be used, bearing in mind the risks associated with the current housing market."</i> (Appeal Decision, 	As per response to Persimmon Homes above	As per response to Persimmon Homes above

		<p>4 January 2012)</p> <ul style="list-style-type: none"> • “Profit 20% on GDV” (GVA, January 2012) • “...most developers will target a return of around 20% per annum or more on their investment” (Planning Advisory Service, January 2011) • “...the standard assumption of 20% developer’s profit...” (Newark and Sherwood Community Infrastructure Levy Charging Schedule Examiner’s Report, August 2012) • “My experience is that banks will not provide funding for a scheme that shows a profit of less than 20% on gross development value...” (BNP Paribas for the Planning Inspectorate, August 2009) • “...banks currently require schemes to show profit normally in excess of 20%.” (BNP Paribas, June 2010) • “...using an average figure of 20% [profit] across the city is not unreasonable or unrealistic” (PINs Examination Report, July 2012) <p>“a [profit] figure of 20% which is at the lower end of the range, is reasonable (Shinfield, Reading Appeal Decision, October 2012)</p>		
Barratt David	Para 8.24	As per Para 8.3	As per response to Persimmon Homes on Para	As per response to Persimmon Homes on Para

Wilson Homes			8.3	8.3
Barratt David Wilson Homes	Paras 8.25 to 8.27	Again the Council appear to show a lack of a viability assessment to demonstrate the 15% affordable target. Furthermore it appears to have failed to take account of the requirement in paras 173/174 of the NPPF.	The target range of 15-20% was tested through the Economic Viability of Affordable Housing Requirements study and is part of the statutory Development Plan as it is included in Core Strategy Policy CS8. All major residential planning permissions granted since the introduction of Policy CS8 have been consistent with the requirement to provide affordable housing within the 15-20% target range. This demonstrates that the target range continues to be credible and robust.	No change to the SPD
Home Builders Federation		S.106 Contributions The requirement for the developer to provide written evidence of S.106 contributions is puzzling given that the contributions will, in most instances, have been negotiated with the Council. Therefore the Council will already have a full appreciation of such costs.	This information is required as part of an assessment submitted but it is acknowledged that the paragraph should be re-worded to provide greater clarity.	The S.106 Obligations paragraph will be re-worded as follows: 'The developer will provide details of all agreed or requested S.106 obligations and the costs associated with them'.

Appendix 2: The Council's webpage for the consultation on the draft SPD

The Affordable Housing Supplementary Planning Document

Stockton-on-Tees Borough Council is producing an Affordable Housing Supplementary Planning Document (SPD). The Affordable Housing SPD will provide guidance on how existing Local Plan policies relating to affordable housing will be applied and how their requirements can be met. The Affordable Housing SPD does not have development plan status and cannot be used to make new policies. The Affordable Housing SPD will be a material consideration when determining applications for planning permission within the Borough.

Previous consultation

A previous consultation on the draft Affordable Housing SPD was undertaken in July 2013. As a result of comments received during the consultation the Council has re-written the document and decided that, in the light of the significant changes made to it, a new consultation is appropriate.

If you responded to the previous consultation your comments will not automatically be carried forward as a response to this consultation. If you wish to respond to this consultation then please submit new comments.

Consultation detail

A consultation on the Affordable Housing SPD will begin on Wednesday, 18 December 2013 and end on **Wednesday, 29 January 2014**.

The consultation document, a Habitats Regulations Assessment (HRA) Scoping Report, an Equalities Impact Assessment and a consultation statement can be downloaded. Copies can also be viewed at all libraries within the Borough.

- [View Affordable Housing SPD](#)
- [View Consultation Statement](#)
- [View Habitats Regulations Assessment \(HRA\) scoping report](#)
- [View Equalities Impact Assessment](#)

How to make representations regarding the SPD

Any representations regarding the SPD should be made in writing to Rosemary Young, Spatial Planning Manager, Planning Services, Municipal Buildings, Church Road, Stockton-on-Tees, TS18 1LD or by email to spatialplans@stockton.gov.uk by 29 January 2014.

Appendix 3: Letter to Registered Providers

My Ref:
Your Ref:

Municipal Buildings
Church Road
Stockton-on-Tees
TS18 1LD
SAT NAV code: TS19 1UE

Tel: 00000 00000
Email: firstname.lastname@stockton.gov.uk

Date: 00/00/00

Dear Partner

Regarding: Initial Working Draft Supplementary Planning Document 8 – Affordable Housing

Stockton Borough Council are currently drafting the Affordable Housing Supplementary Planning Document (SPD) in preparation for formal consultation which is scheduled to take place on 18th December 2013. We are therefore contacting Registered Providers who have a presence in the Borough to seek your views as to whether you consider the draft SPD to be robust and what, if any changes, you would like to suggest.

As you will be experienced in dealing with developers on a range of Section 106 Agreements across the region, we are also seeking your assistance with specific regard to the proposed methodology for calculating commuted sums, which is detailed in pages 15 – 18 of the SPD. Increasingly developers are approaching the local authority wishing to progress a commuted sum, rather than on-site provision for affordable housing. To help us establish a robust methodology for calculating commuted sums we would be interested to know the data sources that you may have used to calculate your unit purchase prices for the S106 agreements you have been involved in across the region. We understand that a range of calculation methodologies are used by different Local Authorities across the Region and we would be grateful if you could indicate if you have a preferred calculation method (i.e purchase price based on £ per sq m/ sq ft or purchase price of similar sized property by number of bedrooms or house type in the locality).

In order to be able to meet the necessary deadlines to begin the formal consultation on the draft SPD we would be grateful if you could send your comments to Matthew Clifford (Principal Planning Officer) at the e-mail address at the top of this letter by 5.00pm on **Friday 29th November 2013**. If you feel it would be useful to discuss your views in person or by telephone we have included a list of dates/times below that officers will be available to speak with you.

- 21st November 11.00am, 11.30am, 1.30pm
- 22nd November 2.00pm
- 25th November: Any time from 11.00am onwards
- 27th November. 9.30am
- 28th November: All day

If you'd like to book one of the slots please contact Matthew Clifford on (01642) 526049.

We would like to thank you in advance for your assistance with this important matter and we look forward to hearing your views and suggestions.

Yours sincerely