

**B&NES Community Infrastructure Levy Revised Draft Charging Schedule Examination**

**Council Note to Examiner**

**Re: Draft Planning Obligations Supplementary Planning Document SPD**

**1. Background**

- 1.1 The draft Planning Obligations SPD (draft SPD) was published for public consultation alongside the CIL draft Charging Schedule between 24th July and 18th September 2014. Once adopted in April 2015 it will replace the existing SPD.
- 1.2 This note relates to the 14 comments received in relation to the small sites affordable housing requirements. The Council is considering these representations and possible amendments to the SPD. While these representations were made specifically to the Draft SPD, the comments raise viability issues for small sites particularly in relation to the formula for calculating commuted sums for affordable housing. Therefore, the Council has agreed to forward these representations together with this Note to the Examiner. The Examiner is not being asked to include these elements of the SPD in the CIL examination but these points are being brought to his attention in light of their relationship with CIL.
- 1.3 The draft SPD supplements the recently adopted Core Strategy Policy CP13 (Infrastructure Provision). The draft SPD sets out the policy context and contains information such as the triggers for planning obligations and the process that will be followed in seeking planning obligations. The SPD also provides detailed information on affordable housing, supplementing Core Strategy Policy CP9. Policy CP9 requires an affordable housing contribution from small sites as below.

**CP 9 Affordable Housing**

**Small sites**

Residential developments on small sites from 5 to 9 dwellings or from 0.25 ha up to 0.49 ha should provide either on site provision or an appropriate financial contribution towards the provision of affordable housing with commuted sum calculations. The target of affordable housing for these small sites will be 20% for AH Area 1 and 15% for AH Area 2 half that of large sites, in order to encourage delivery.

In terms of the affordable housing on small sites, the Council will first consider if onsite provision is appropriate. In some instances the Council will accept a commuted sum in lieu of on site provision. This should be agreed with housing and planning officers at an early stage.

- 1.4 A formula for calculating the financial commuted sum is included in the SPD at Appendix 1. This proposed formula is the key issue raised in the objections submitted, subject to this Note.

## 2. Key issues

- 2.1 The main concern raised by respondents was that the formula for calculating affordable housing commuted sums for small sites is overly complex, and that the application of the commuted sum formula can make small / medium scale developments unviable.
- 2.2 The Council agrees that in practical terms, securing the on-site delivery of single or fractions of units may be problematic for small sites and in many instances the Council will accept a commuted sum in lieu of on-site delivery. The Council agrees that the commuted sums formula is geared towards larger scale delivery where a range of housing types enables fair comparison with equivalent on-site provision.
- 2.3 Having regard to this, the Council has agreed to amend the formula for calculating commuted sums for affordable housing in lieu of on-site provision for small sites. In order to identify the best approach (that will not prejudice the viability of small / medium housing schemes), the Council has arranged a stakeholder workshop on 20<sup>th</sup> January 2015 and all respondents who made representation on this issue have been invited to participate.

## 3. Representations

- 3.1 The following schedule sets out the list of respondents who made representations to the Draft SPD in relation to this issue.
- 3.2 The representations stated that the respondents wished to reserve the right to attend the "Examination in Public" relating to this issue, however the respondents have confirmed that subject to this note, and the forthcoming stakeholder workshop to discuss the small sites affordable housing commuted sum formula, they do not intend to participate at the Draft Charging Schedule hearing.

### List of Respondents making Representations on Affordable Housing and Viability

Rep No	Respondent Name	Respondent/ Organisation
SPD/07	Ralph Butt	Morris & Co LLP
SPD/09	David Newton	Kersfield Developments
SPD/10	Alastair Gibson	Charlecombe Homes Ltd
SPD/11	David Halewood	Colston & Colston Chartered Surveyors
SPD/12	Francine Watson	Knight Frank LLP
SPD/13	Ian Walker	CaSa Architects Ltd
SPD/15	Simon Coles	Keep Architecture
SPD/17	Andrew Given	Goughs Solicitors
SPD/18	Mr C Mackenzie	Designscape Architects
SPD/19	Ian McMurtry	Swinhay Ltd
SPD/20	Peter Hibbert	Affordable Housing Solutions <i>on behalf of</i> Ashford Homes Ltd, Charlecombe Homes Ltd, Greensky Developments, Kersfield Developments, McCarthy Homes Ltd, Swinhay Ltd

SPD/23	John McQueen	McBallester Ltd
SPD/26	Simon Hawketts	Intelligent Property
SPD/28	Gavin Davis	Shepperton Builders Ltd

#### 4. Additional note

- 4.1 The Government has recently announced changes in relation to tariff style planning obligations and affordable housing requirements for small sites. Planning Practice Guidance has been amended (28<sup>th</sup> November 2014) to exempt developments of 10 homes or fewer, with less than 1,000 square metres of floorspace, from planning obligations imposing tariff style contributions and affordable housing requirements.  
<http://planningguidance.planningportal.gov.uk/blog/guidance/planning-obligations/planning-obligations-guidance/>
- 4.2 The PPG allows local planning authorities to apply a lower threshold of 5-units or less to developments in designated rural areas as described under section 157 of the Housing Act 1985 which includes National Parks and Areas of Outstanding Natural Beauty. Where the lower threshold is applied, developments of between six and 10 homes should only pay contributions as cash payments following completion.
- 4.3 The Council is currently considering the implications of this exemption in the context of the Core Strategy and emerging Placemaking Plan Development Plan.