

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Planning Committee

5 October 2016.

LEAD OFFICER: Head of Development Management

Proposed changes to Local Validation list and associated measures

Purpose

1. To consult with Planning committee on the recommended changes prior to public consultation.

Recommendations

- 1) Planning Committee endorses the proposed amendments to the local list and associated viability guidance and drainages, flooding and SUDS checklists (Appendix A, B & C)as tools
- 2) Planning committee provides any views on the measures proposed which will be fed into the consultation process on the local list prior to it being adopted

Reasons for Recommendations

2. Within the context of a complex planning presented by lack of five year supply and shortage of affordable housing the recommendations will help support the Council in managing the decision making process and achieve high quality, deliverable and sustainable development.

Background

3. Planning Practice Guidance encourages local planning authorities to work proactively with applicants to secure developments that improve the economic, social and environmental conditions of the area. In other words support delivery of sustainable development as also outlined paragraph 7 of the National Planning Policy Framework.
4. In light of the lack of the five year land supply and absence of an up to date local plan; planning decisions have a important role to play in helping plug the gap in meeting the housing land supply in South Cambridgeshire. The Council is considering what tools it might use to manage planning applications for housing in a way that maximises potential to achieve high quality, deliverable sustainable development.
5. The Council also has a need for affordable housing across the District, which was recently referred to as “chronic shortage” by the inspector in a recent housing appeal in the District (Melbourn Ref:APP/W0530/W/15/3131724). In addition, in a subsequent appeal decision APP/W0530/W/16/3142834 the inspector considered that the Written Ministerial Statement 28 November 2014 (which stated that no affordable housing contributions should be sought for developments of

10 units or less and have a combined gross floorspace of no more than 1000sqm) “needed to be addressed alongside local policy”. He concluded given the “substantial need” for affordable housing he attached significant weight to local plan policy HG/3 and concluded based on viability assessment presented at the appeal that the provision of affordable housing would not prevent the development from being delivered even though the numbers proposed were less than 10, . As such the Council will now continue to seek affordable housing provision on developments less than 10 units in accordance with policy HG/3 on a case by case basis; unless the developer can sufficiently demonstrate that it would not be viable to do so.

6. Finally, legislation introduced in April 2015 placed additional requirements on planning authorities in relation to drainage management The Council is in the process of preparing a Cambridgeshire Flood and Water SPD with other relevant stakeholders. This will support it in meeting regulatory and policy requirements in the regard. This document will be considered by the Planning Portfolio meeting in November 2016
7. This purpose of this report is to identify options/tools and make recommendations, which will help the planning authority assess development proposals in the most efficient way in light of the complex planning scenarios in paragraphs 3-7 above and at the same time achieve the most positive outcomes for it’s local communities. It will also enable the planning authority to give sufficient consideration of the recent appeal decisions and changes in legislation and policy.

Options

8. Planning Practice Guidance states “*early engagement has significant potential to improve the efficiency and effectiveness of the planning application system for all parties.*” Options to encourage applicants to think about how they might start achieve positive outcomes from early stages are outlined in this report as follows.
9. The Government recommends two key areas for planning authorities to focus on to improve the planning system, these are pre-application discussions and also requiring the right information to be submitted with planning applications to inform the decision making process. These are addressed in turn:

Pre-application Process

10. The Council has a pre-application process in place, it is widely recognised that it is good practice to enter into early discussions with the local authority and other stakeholders prior to submitting a planning application.
11. In this end Planning Committee in April 2016 approved pre-application protocol which sets out good practice for early engagement with Local Members and Parish Councils to help shape development outcomes. It also provides the opportunity for Committee Members to ask questions of the developer. This combined with pre-application engagement with

key stakeholders such as the County transport and Infrastructure providers enables issues to be resolved prior to applications being submitted.

12. In addition over the next few months officers will be reviewing their current pre-application process to explore whether further changes can be made to add value and help achieve quality outcomes. This work will be undertaken with Cambridge City Council as part of the wider shared service agenda.

Review of Local List

13. Planning statute requires that applicants submit specific information with applications to enable the local authority to determine their applications, this is called the national validation criteria. In addition local authorities may require additional information to be submitted to take account of local planning circumstances, such as the lack of a five year land supply. This information must be included on a “local validation list” and to meet regulations it must be:
 - Reasonable to the nature and scale of the development
 - A material consideration in the determination of the application.
 - Reviewed every two years in order to be up to date.
14. The local list can perform an important function in the following ways:
 - Enabling officer’s to process applications more effeciently by having the right information up front.
 - Providing local community and key stakeholders with more information and certainly about schemes prior to decision making
 - Reduce the need for planning conditions.
 - Lead to high quality development as applicants will have worked through many of the site constraints and issues up front.
 - Facilitates a constructive dialogue between applicants, the Council and local communities on desired outcomes for the development
15. This is particularly beneficial for housing development proposed in the current South Cambridgeshire context, when many proposals are outside of village frameworks and will not have been subject to a planned process such as a local plan.

Proposals

16. Given the benefits outlined above regarding receiving the right information early in an application process, it is proposed that the Council’s local list is reviewed and a number of associated tools are put in place including viability assessment guidance and drainage, flood and SuDs checklists.
17. In reviewing its local list the Council is required to outline the specific drivers, which relate to any changes proposed, these are:
 - Lack of five year land supply and out of date local plan which has given rise to an increase in housing applications outside of village frameworks

- Provide clarity to stakeholders and further support the local authority in meeting its requirements in relation to the SuDS requirements introduced in April 2015.
 - To put the necessary tools in place to support the Council's proposed Drainage Supplementary Planning Document which will be considered by Portfolio Holder in November 2016.
 - To support the Council's policy requirements to deliver affordable housing in light of the accepted "chronic" shortage
 - To maximise the potential for delivery by encouraging developers to explore and address site constraints at an early stage and where possible avoid the need for conditions.
18. In accordance with the Town and Country Planning Act 1990 and The Town and Country Planning (Development Management Procedure (England) (Order) 2015 local list requirements should also be:
- Reasonable to the nature and scale of the development
 - Material in the consideration of the application.
- Finally to be up to date a Local list should be reviewed every two years.
19. Three amendments are proposed (see Appendix A) to the current Local list, the reasons why they are required as indicated as follows. These are:
- Additional supporting information (see Appendix A) for Outline and Full applications for 10 or more homes, to ensure that the development proposed is sustainable and viable and deliverable (paragraphs 7 and 173 of the National Planning Policy Framework.)
 - In light of the shortage of affordable housing in the District and recent appeal decision (APP/W0530/W/16/3142834); housing schemes under 10 units will be required to comply with the Council's policy HG/3 and affordable housing SPD providing provision of 40% affordable housing or an equivalent commuted sum. In cases where this will impact on the deliverability of development availability assessment will need to be submitted with the application outlining any alternative provision being made.
 - Outline and Full applications for major development including 10 or more homes or equivalent non-residential or mixed development must complete the applicant drainage and flood checklists and SUDs proforma (Appendix C.) This is to satisfy requirements for SUDs in the Ministerial Statement introduced in April 2015 and also the Councils proposed Flood and Water SPD to be considered by the Councils Portfolio meeting in November 2016.
10. Also note the viability assessment guidance in Appendix B, which is designed to support developers in demonstrating the development is viable and deliverable. In the interests of transparency and in line with other local authorities including Cambridge City, the Council is proposing to publish viability assessments submitted with applications on line. Applicants will be also asked to provide any comments in this

regard as part of the consultation process on changes to the Local list

11. The Checklists for Drainage, Flooding and SuDs (Appendix C) will support the planning authority in ensuring that it meets its regulatory and policy requirements in this regard. In addition it will also provide a legible reference point for the local community and also important stakeholders in this regard. They will also form part of the proposed Cambridgeshire Flood and Water SPD, which will be considered by the Portfolio meeting in November 2016. This will be reported at the same time as the final changes to the Local list following the consultation period.
12. The changes to the Local List and their rationale were presented at the Agents Forum on 21st September 2016 and the following next steps were outlined to ensure that the Council meets appropriate regulatory requirements:
 - That planning committee is asked to endorse the changes proposed and provide any views to feed into the consultation process, 5th October 2016 (see recommendations above).
 - The changes will be placed on the Council's website for consultation and emailed to agents inviting consultation responses between 10th and 28th October 2016
 - A summary of the consultation responses and a report seeking adoption of the changes will be taken to the Planning Portfolio meeting on 8th November 2016
 - The amended local list will be published on line on 9th November 2016 and will apply to all relevant applications submitted on or after that date.

Financial

13. The costs are contained within budgeted resources for this financial year.

Legal

14. The process to undertake the changes are set out in the report and are in accordance with the relevant Planning Regulations and Guidance (S62 of Town and Country Planning Act 1990 and Town and Country Planning (development Management Procedure (England) (Order) 2015 .

Staffing

15. The team will be informed and trained in any changes taken forward

Risk Management

16. The recommendations aim to support the Planning authority in processing applications efficiently and effectively whilst managing the complex planning issues presented

Equality and Diversity

17. There are no specific equality and diversity issues .

Climate Change

- 18 No specific implications.

Strategic Issues

19 The recommendations seek to achieve the Council's three A's

Appendix A: Detailed amendments proposed for Local Validation list

1. Additional information required for Outline and Full applications 10 or more homes

a) **Parameter plan:** is a tool for setting the building blocks in place at an early stage in the development process to achieve a high quality, sustainable and deliverable scheme. It will indicate constraints and limitations on the site, which will help guide design at reserved matters stage and will also provide clarity on the developable area, enabling a more accurate evaluation of housing numbers and scheme viability. The use of parameter plans at Outline stage is supported by ATLAS, which is a group supported by the DCLG to provide advice on taking forward large development schemes. In accordance with ALTAS recommendations parameter plans should include:

- **Land Use:** the building / site use or uses proposed for the development and any distinct development/neighbourhood zones/phases within the site.
- **Areas of potential built development:** identifying broad areas within the site within which proposed buildings would be located.
- **Building Heights:** identifying the upper and lower limits for height
 - within the areas of built development.
- **Landscape & open space structure:** identifying strategic areas of open space indicating the role & purpose of different spaces, landscape and other facility (i.e. LEAP, NEAP) content.
- **Access & movement:** identifying proposed access point/s, movement across the site including strategic highway, pedestrian and cycle routes.
- **Other key structuring elements:** subject to the nature of the specific proposals but potential additional plans to identify the location of nodes & landmarks, character areas, residential density plans, parking strategy, etc.
- **Schedule of development:** the amount of development proposed for each use, including where appropriate total gross square metres of built development, numbers of residential units (with tenure/size splits), and site areas. This should also be provided subdivided down to each identified neighbourhood/phase as appropriate.
- **Statement of design principles:** a short written statement that clearly articulates the design principles that will guide future development. These can be extracted from any other supporting documents (such as the Design & Access Statement or relevant background policy document) but presented in one simple document so that the various principles can be simply secured through the approval process.

- B) Topographical survey to inform the parameter plan and drainage proposals
- C) Strategic landscape plan including an indicative drawing and statement illustrating the broad landscaping principles for the site and any impacts which it seeks to address.
- D) Indicative housing layout
- E) Infrastructure and sustainability plan: this should identify any gaps in infrastructure provision and identify how these will be met. It will also assess how the development meets the three dimensions of sustainable development defined in paragraph 7 of NPPF: Social, environmental and economic; including details of any proposed measures.

- F) Affordable housing statement: to include details of proposed on site provision, mix and details of progress made to secure a registered provider. This should reference the Councils affordable housing SPD and where 40% provision is not provided a viability assessment will be required.

- G) Head of Terms; providing this detail up front including, details of provision, amounts and triggers helps avoid delay later in process. However the Council does recognise that new material considerations may arise during the assessment of the application, which could affect the head of terms.

- H) Delivery plan and viability assessment: viability and deliverability are material planning considerations. The delivery plan should include a programme/timeline for delivery of development including details any constraints and how these will be addresses. These should include details of when reserved matters will be submitted if relevant and phasing of the development including number of houses to be delivered per annum. In the event that the Council cannot demonstrate a demonstrate a five year land supply, ability to demonstrate delivery within 5 years, will be a material consideration weighed against policy and other relevant material considerations. In accordance with paragraph 173 of the NPPF "Pursuing sustainable development requires careful attention to viability" as such applicants will be required to development proposed in viable.

2. Outline and full applications for housing development of ten units or less

In accordance with policy HG/3 where it is not viable to provide 40% affordable housing provision on sites of ten units or less a viability assessment will be required to be submitted with applications. This should be undertaken in accordance with the Councils Viability Assessment Guidance and where appropriate indicate the alternative provision proposed including whether this will be provided on site or will be offered as a commuted sum.

3. All developments (with exception of householder applications)

Will be required to complete the applicants drainage and flood risk assessment and Suds checklists in the proposed Cambridgeshire Flood and Water SPD (Appendix C)

Appendix B Viability Assessment Guidance (Draft for consultation)

In the interests of transparency Viability Assessments will be made publically available.

To allow the Council to assess the viability information submitted and give a fair and unbiased interpretation of the viability assessment, the appraisal will be sent to an independent valuation advisor. The cost of the assessment by an independent valuation advisor will be met by the developer, and should be paid in advance alongside the submission of

the planning application.

Please note that the Councils housing team will also be consulted and provided with the opportunity to comment on the viability assessment and affordable housing provision.

Viability Assessment Guidance Notes

The following notes are intended to help the applicant provide a Viability Assessment together with necessary supporting evidence to ensure that the application can be considered.

Further information is available from the following sources:

http://www.rtpi.org.uk/media/531663/viability_presentation.pdf

HCA development appraisal tool:

<https://www.gov.uk/government/collections/development-appraisal-tool>

Atlas: <http://www.atlasplanning.com/lib/liDownload/511/T1.2.3%20Financial%20Appraisal%20updated.pdf?CFID=16506164&CFTOKEN=35527750>

Within the Viability Assessment, the applicant will be expected to provide, where necessary, information from a professionally qualified source and to demonstrate that the Viability Assessment is based on reasonable and realistic assumptions.

The Council will expect to see calculations for important factors set out in enough detail for viability to be properly assessed, audited and tested.

Method of Valuation

Viability Assessments should be presented on a residual land value basis. The Viability Assessment should provide the following information (where appropriate).

Development Proposal

A brief description of the scheme and a full explanation of why the applicant considers there is an economic case for lower levels of affordable housing than that required by the Council.

Site Size

To be provided in hectares.

Proposed Development

The total number of units; the size of each unit (gross sqm); for residential elements, the number of bedrooms and tenure mix, car parking provision and number of storeys (if applicable).

Sales Prices

Valuation evidence should be supplied. Ideally this should be in the form of certified valuations from local RICS qualified surveyors and include evidence for comparable sites near to the development site.

Other Funding

Details of any other funding, for example through a Registered Provider contributing funds from their own reserves or local authority commuted sums should be recorded.

Build Costs

Build costs should not exceed current rates published by the BCIS for new build units in the appropriate categories and

adjusted for location factor. If building costs for a development do exceed BCIS rates then written evidence should be provided to justify the increased costs.

Rates should be based on Gross Internal Floor Area (RICS definition) and exclude external works and contingencies which should be costed and added separately within the assessment.

Other Costs

Written evidence will be required to support site infrastructure costs/external works such as roads, sewers, services, landscaping.

Legal Fees

These should reflect the charging rates of local solicitors and conveyancers. Fees are typically around £600 per open market dwelling.

Sales Fees

These should reflect the charging rates of local agents, although it is recognised that large house builders may provide this service in-house. Fees are typically around 3%.

Professional Fees

Where relevant, these may include architect, quantity surveyor, structural engineer, mechanical and/or electrical engineer, project manager, and other necessary consultants. Evidence should be provided. These are typically around 10% of build costs.

Finance Costs

For most developments, a rate of 3-5% above Bank of England Base Rate is expected, but developers unable to borrow at this level should provide evidence of the actual rate applicable.

Development Period

A reasonable and realistic estimate of development timescales should be provided.

Contingency

The more complex the project, the more likely it is that there will be difficulties or delays. Therefore contingencies should be calculated between 2% and 5% of total costs (build costs,

ancillaries and professional fees) depending on the complexity of the development, on the basis that other abnormal costs

will be separately identified and reflected elsewhere in the appraisal.

Developer Profit

A typical margin is in the region of 15% gross profit on the sales revenue of market housing and 6% on the revenue for affordable housing. However higher/lower profit levels may be appropriate depending on the project.

Site Acquisition Costs

This should include planning and survey costs, agent and legal fees, stamp duty etc. Fee levels should reflect local rates where appropriate.

Abnormal Costs

The costs incurred in delivering a workable, high quality development are to be expected and should be reflected in the price paid for the land.

Standard development costs that will not be considered as exceptional include (but are not limited to) demolition and clearance, landscaping, good quality design measures, surveys, ground conditions, noise and any other environmental attenuation and flood mitigation measures.

In the event that a developer considers that abnormal development costs have been incurred, it will be the responsibility of the applicant to demonstrate how the costs have been derived.

Infrastructure and Section 106 contributions

Anticipated or agreed costs of contributions to infrastructure should be included.

Site Value

The assessment should include a valuation of the site in its existing, or in the case of a vacant or derelict site, its last use. The Council will also seek confirmation of the applicant's interest in the land i.e. is it owned (and if so when it was bought),

under a conditional contract or under some alternative purchase arrangement, such as an option.

**Appendix C: Drainage, Flood and SuDs checklists (to be included in
Cambridgeshire Flood and Water SPD)**