

READING BOROUGH LOCAL PLAN EXAMINATION
ADDITIONAL JUSTIFICATION ON POLICY H3 ON SMALL SITE AFFORDABLE
HOUSING

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1. INTRODUCTION

- 1.1 After the hearings for the Examination into the Reading Borough Local Plan, on 20th March 2019, the Planning Inspector produced Post Hearing Advice (EI014). One of the matters it raised is concern that insufficient justification has been provided for Local Plan policy H3 which seeks affordable housing contributions from small sites. The Inspector gave the Council two options. Option 1 was to provide additional justification addressing six main points. Option 2 was deletion of the policy requirements in H3 for sites of 1-4 and 5-9 dwellings and relevant supporting text. The Council has chosen Option 1, and has produced this note to set out the additional justification needed.
- 1.2 Sections 2-7 of this note address the six points on this issue in the Post Hearing Advice note. Section 8 draws conclusions from this information.
- 1.3 Before addressing the Inspector's individual points, it is worth recapping the timeline of the main changes relating to seeking affordable housing from small sites in Reading, as it provides useful context, particularly when looking at completion rates.

Up to October 2012	Council seeks affordable housing only from developments of 15 dwellings or more in accordance with Core Strategy.
October 2012	Policy DM6 seeking affordable housing contributions from sites of 1-14 dwellings adopted as part of Sites and Detailed Policies Document.
November 2014	Ministerial statement prevents authorities from seeking affordable housing from small sites. RBC and West Berkshire DC challenge in courts.
July 2015	High Court decision in favour of RBC and WBDC overturns ministerial statement. RBC continues to apply DM6.
May 2016	Court of Appeal judgement reinstates the ministerial statement, but clarifies that it does not override local policies where exceptional circumstances can be demonstrated.
July 2016	Council decides to continue to apply DM6, but to exclude developments with no net gain and conversions of existing buildings.
December 2016	First appeal decisions supporting the Council's position.

- 2.4 In summary, RBC has sought affordable housing contributions from small site planning applications determined since October 2012, but, since July 2016, this has only been for new build developments where there is a net gain.

2 EXISTING SMALL SITE PERMISSIONS:

Existing small site permissions broken down into 5-9 and 1-4 dwellings, and for the previous 10 years with site size included (Hectares).

- 2.1 On 3rd April, the Inspector clarified what was requested, as follows (see Appendix 1):

“Information on all extant permissions (existing permissions) where would have been a net gain for 5-9 and 1-4 dwellings - it will be helpful to have information on the size of each site given permission and any commentary on whether development has commenced if this is known.”

- 2.2 The Council has identified those sites which had planning permission for a net gain of less than 10 dwellings at 31st March 2018 (of all types, including types which do not provide affordable housing), and these are set out in Appendix 2, together with site size and information on any contributions to affordable housing. The monitoring of development for 2018-19 is being finalised in April and May 2019, and summary data for this year is not therefore available yet which is why 2018 permissions are used.
- 2.3 It can be seen that there is a healthy stock of planning permissions for developments of both 1-4 and 5-9 dwellings in Reading, and the existence of policies seeking contributions towards affordable housing has not prevented these permissions from being granted with an appropriate legal agreement where required. More importantly, many of these are already underway, and there is no particular concern that permissions will expire as a result of the affordable housing contributions. Of the ten sites of between 5-9 dwellings that had an agreed affordable housing contribution at March 2018, for instance, eight have already commenced, and of the remaining two, a CIL commencement notice has been received to start works in April.

3 SMALL SITE COMPLETIONS:

Rates of small site completions broken down into sites for 5-9 and 1-4 dwellings over the past 10 years with site size included (Hectares) and the numbers of sites (excluding where no net gains were achieved).

3.1 On 3rd April, the Inspector also clarified what was requested under this heading, as follows (see Appendix 1):

“The figures for completions on individual sites for 5-9 and 1-4 dwellings from 2012 - site size is not necessary for this element.”

3.2 However, as the information had been assembled in any case, we have shown information for the full ten year period. This allows comparison with figures from before the introduction of small site affordable housing contributions in 2012.

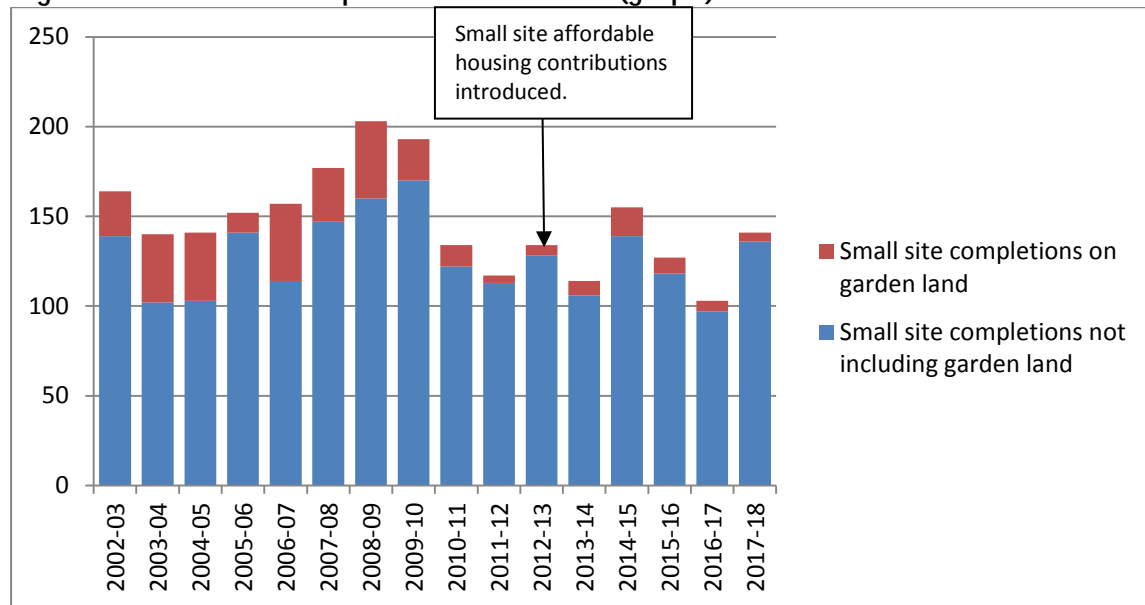
3.3 The overall rates of small site completions are shown in Figure 1 below, which is an updated version of the table which also appears in the Housing and Economic Land Availability Assessment (EV014). It shows that small site completions do fluctuate, and that the average was a little higher before 2010, but that there is no obvious drop-off related to a policy shift when the Council started requiring affordable housing provision from small sites in late 2012 - the drop-off predates this by several years. It is worth immediately noting that the first two years of the ten-year period specified by the Inspector (2008-2010) show the highest completion rates for small sites since 2002. It is worth bearing in mind therefore, that high levels of small site completions in the first two years of the ten year period were a peak, and not entirely representative of pre-2010 levels overall.

Figure 1: Small site completions 2002-2018 (table)

Year	Homes completed on small windfall sites (<10 dwellings)	Of which on garden land	Homes completed on small windfall sites not including garden land
2002-03	164	25	139
2003-04	140	38	102
2004-05	141	38	103
2005-06	152	11	141
2006-07	157	43	114
2007-08	177	30	147
2008-09	203	43	160
2009-10	193	23	170
2010-11	134	12	122
2011-12	117	4	113
2012-13	134	6	128
2013-14	114	8	106
2014-15	155	16	139
2015-16	127	9	118
2016-17	103	6	97
2017-18	141	5	136

3.4 Figure 2 shows this in graph form.

Figure 2: Small site completions 2002-2018 (graph)



3.5 Figures 1 and 2 separate out development on garden land. The purpose of inclusion of the original version of Figure 1 in the HELAA was to justify use of small site windfalls, and the NPPF is clear that this garden land should be excluded from windfall rates. There is no reason to separate out garden land for the purposes of this note, and the rest of the analysis does not, but Figures 1 and 2 are useful for context because they help to show why overall small-site completion rates were somewhat higher before 2010, when garden development was particularly prevalent. This type of development has dried up a little in recent years, which may well be to do with the garden sites which are easiest to develop largely having already been used. When garden land is removed, small site completion rates are much more consistent since 2002.

3.6 It should be noted that a significant proportion of small sites will be of a type that does not make a contribution to affordable housing in any case. This includes prior approvals (of which Reading has a high number), certificates of lawfulness, and, since 2016, conversions of existing buildings. Different types of development are significant at particular times. For instance, for small sites, the years 2015-2017 saw low rates of new build completions (12% of all small site completions for 2015-16 and 17% for 2016-17, compared to an average of 41% for the preceding five years), with the remainder made up of conversions. Whilst it might be tempting to attribute this to the new burdens on small sites introduced in DM6, actually this mirrors the trend for sites of ten or more dwellings where the policy for the vast majority of sites had not changed (68% of all major completions for 2015-16 and 55% for 2016-17, compared to an average of 88% for the preceding five years). In any case, the new build completions as a proportion of all completions had returned to levels comparable with historic rates in 2017-18, without there being a particular policy change. It is therefore difficult to attribute these changes to the Council's affordable housing stance.

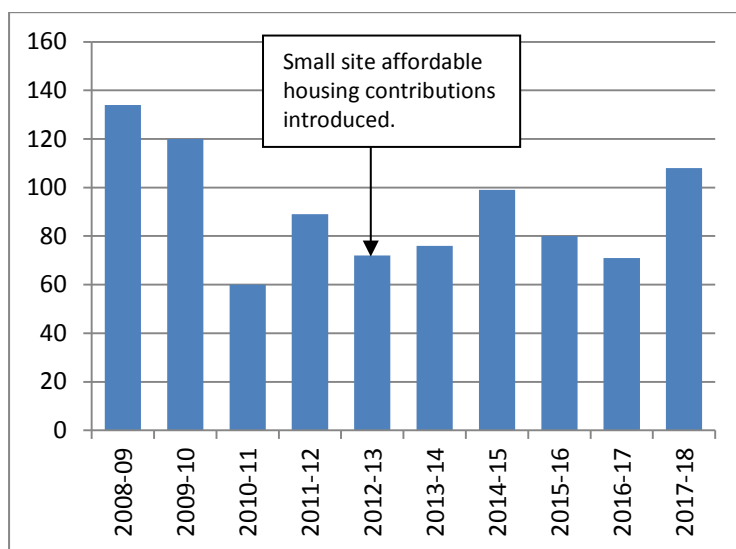
Small sites of 1 to 4 dwellings

3.7 This section looks specifically at the smallest sites of 1-4 dwellings. Existing policy expects a financial contribution equivalent to 10% for affordable housing from such sites.

Figure 3: Completions on sites of 1-4 dwellings (table)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Completed dwellings on sites of 1-4 dwellings	134	120	60	89	72	76	99	80	71	108

Figure 4: Completions on sites of 1-4 dwellings (graph)



3.8 It can be seen that there is no evidence to suggest that the introduction of affordable housing contributions from sites of 1-4 dwellings has had any noticeable impact on completions of such sites. The fluctuations from year to year show no particular trend, other than the first two years being particularly high, the likely reasons for which are explained in paragraph 3.5.

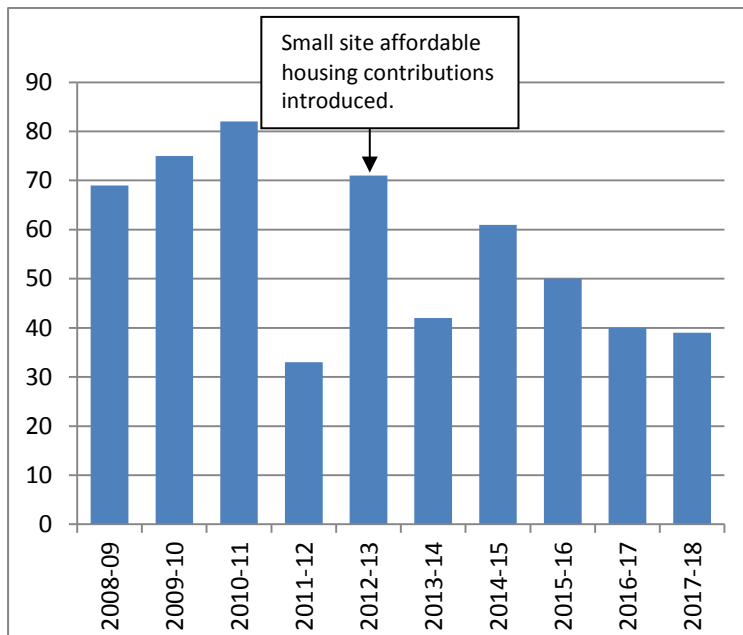
Small sites of 5 to 9 dwellings

3.9 This section looks specifically at the mid-range of sites of 5-9 dwellings. Existing policy expects 20% affordable housing, preferably as an on-site contribution, from such sites.

Figure 5: Completions on sites of 5-9 dwellings (table)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Completed dwellings on sites of 5-9 dwellings	69	75	82	33	71	42	61	50	40	39

Figure 6: Completions on sites of 1-4 dwellings (graph)



3.10 Unlike for sites of 1-4 dwellings, Figure 6 does seem to show a reduction in completions after 2013. This is not absolute, however, with the lowest total also being in the first five years. A reduction may coincide broadly with the implementation of the policy, but one would expect a delayed effect for a year or two as permissions work their way through to completions, so there is no sudden decline that could clearly be attributed to the policy change. The absolute numbers of sites tend to be far fewer than for sites of 1-4 dwellings, so there is much greater scope for individual sites to have a distorting influence on the overall numbers. There could also be a great variety of other factors at play, such as the availability of a certain size of site. We do not consider that there is a clear effect of a decline in completions associated with the requirement for small sites to contribute towards providing affordable housing.

4 EXPECTED FUTURE FINANCIAL CONTRIBUTIONS:

The payments in lieu expected from the two ranges of sites (5-9 and 1-4 dwellings), over the plan period compared to sites of 10 or more (where this is relevant), and additional clarification over where and through what process, payments in lieu would be allocated.

Expected financial contributions from small sites

- 4.1 Projecting forward payments in lieu over the plan period is a difficult matter, and can only really be an estimate at a point in time. Whilst some existing permissions have agreed financial contributions, this will only cover the delivery in the first few years of the plan period. Perhaps the most reliable way of approaching this is to use a ratio based on the current amount of homes in each category with outstanding planning permission (of all types, including where S106 is not applicable), and compare this to the financial contributions already agreed in outstanding planning permissions, and then to project that forward based on the small site windfall allowance in the housing trajectory of 127 dwellings per year.
- 4.2 There are limitations to this approach. It will not, for instance, take account of changes in economic conditions which will affect the gross development value, which in turn affects the contribution value, as well as informs any viability discussions. It would also not take account of any changes in the proportion of completions which come from types of development that either do not result in a S106, such as prior approvals (which would be relevant if a future government were to make changes to permitted development rights), or which are developed by the local authority or a registered provider for 100% affordable housing and therefore will make no additional contribution. However, it is likely to be as good an estimate as can be made at this point in time.
- 4.3 At 31st March 2018, there were outstanding planning permissions for 197 dwellings on sites of 1-4 dwellings, and 142 dwellings on sites of 5-9 dwellings. Agreed contributions towards affordable housing for those developments with outstanding permission totalled £1,080,811 for sites of 1-4 dwellings and £702,000 for sites of 5-9 dwellings (see Appendix 2).
- 4.4 Therefore, for sites of 1-4 dwellings, a ratio of £5,486.35 per dwelling gained is used, and for sites of 5-9 dwellings the ratio is £4,943.66 per dwelling gained¹.
- 4.5 Over the last ten years, on average 62% of small site completions have been on sites of 1-4 dwellings and 38% on sites of 5-9. Therefore, for the purposes of this work, we will assume that 79 dwellings per year (62% of the total 127)

¹ As set out in paragraph 4.1, these are working assumptions taking into account that many forms of small site development do not pay affordable housing. The actual average ratios for outstanding permissions taking into account only those sites where financial contributions have been agreed are £12,423 per dwelling for sites of 1-4 dwellings and £10,478 per dwelling for sites of 5-9 dwellings. Whilst it is counter-intuitive that the figure would be higher for sites of 1-4, the reason for this is that an off-site contribution is calculated on the basis of gross development value, and by far the most valuable homes – larger, often detached properties – tend to arise in Reading as developments of one or two dwellings. The larger site size category sees more flatted and small units.

will be on sites of 1-4 dwellings, and 48 (38%) will be on sites of 5-9 dwellings.

Figure 7: Estimated financial contributions to affordable housing over the plan period

	Estimated number of dwellings per annum	Estimated financial contributions to affordable housing per dwelling	Estimated financial contributions to affordable housing per annum	Estimated total financial contributions to affordable housing 2018-2036
Sites of 1-4 dwellings	79	£5,486.35	£433,422	£7,801,578
Sites of 5-9 dwellings	48	£4,943.66	£237,296	£4,271,328
TOTAL	127	N/A	£670,717	£12,072,906

NB: Section 106 agreements are subject to indexation, so in reality the sums will increase based on the RPI

- 4.6 Therefore, a total of £0.67 million could be anticipated each year, which would mean £12.07 million over the remainder of the plan period. For the purposes of comparison, it is possible to confirm that the Council received £0.57 million in contributions towards affordable housing from small sites in 2018-19.
- 4.7 It should be noted that, for sites of 5-9 dwellings, full compliance with the draft policy would result in an on-site contribution at 20%, which we would estimate at 9-10 affordable units per year, with the financial contribution being minimal. However, in practice, a financial contribution is virtually always agreed rather than an on-site contribution, and the assumption for these purposes is that this will continue. The implications of this for policy H3 is discussed further in section 6.

Comparison to larger sites

- 4.8 Comparing against future financial contributions on sites of 10 dwellings or more is also very difficult, not least because there is a strong presumption that such sites will provide on-site contributions as opposed to off-site financial contributions. Perhaps the best way to compare is to calculate how many new affordable homes the financial contribution from small sites could equate to, and compare this to the delivery from larger sites.
- 4.9 The cost of delivering an average new affordable home is estimated to be approximately £200,000. However, if building its own homes, the Council would generally use the contribution to subsidise part of the build and borrow for the remaining costs. If a property were to be let at target rent, this would mean subsidising 50% of the build, so £100,000 is required. Using these assumptions, £12.07 million would deliver 121 affordable homes ($12,070,000 \div 100,000 = 121$).
- 4.10 In order to generate a figure for larger sites to compare this against, where permission has already been granted for either on-site provision or a financial contribution, that figure can be used. Where the site does not yet have planning permission, a 30% on-site policy-compliant contribution should be assumed for these purposes. Based on these assumptions (and using the same

lapse rates as used in the housing trajectory), sites of 10 dwellings or more could be expected to deliver 2,236 affordable units on-site and £4.76 million in off-site contributions over the plan period. Based on the same calculations as above, the off-site financial contribution could provide an additional 48 units ($4,760,000 \div 100,000 = 48$), meaning a total of 2,284 affordable homes.

Figure 8: Summary of affordable homes equivalent delivery over plan period

Affordable homes equivalent from small sites (1-9)	121
Affordable homes equivalent from major sites (10+)	2,284
Total affordable homes equivalent	2,405
Small site affordable housing as proportion of total	5%

4.12 Whilst the number is small in comparison to both Reading's substantial needs and the overall expected provision, it would nonetheless represent a very valuable part of an approach to providing much needed affordable housing which complements on-site provision and other sources of supply. Loss of these contributions will make it notably harder to meet Reading's most pressing affordable housing needs.

4.13 It should also be noted that there are agreed financial contributions of £2.72 million towards affordable housing from permitted office developments, which, using the assumptions above, could deliver an additional 27 affordable homes. The Inspector has indicated in the Post-Hearing Advice that the policy EM1 requirement for employment development to contribute towards affordable housing should be removed. If this element of EM1 is deleted, it is expected that developers would re-apply for those developments and secure a permission without any affordable housing contributions, and as a result those affordable homes would not be delivered. They are therefore not included in the calculations in Figure 8. This represents a small but nonetheless very valuable contribution to affordable housing supply, and its loss going forward would hinder efforts to meet Reading's overriding affordable housing needs.

Spend of financial contributions

4.14 In terms of process for allocating spend of financial contributions towards affordable housing, the body ultimately responsible is the Council's Policy Committee, which meets monthly and is chaired by the Leader of the Council. Policy Committee has delegated some authority to the Head of Housing and Neighbourhood Services in consultation with the Lead Councillor for Housing to approve spending within certain limits and on certain sites. Decisions on allocations of contributions are informed by the financial contributions expected to be received over the year, and the amount of subsidy required in order to ensure that each development is viable (financial appraisal completed on each individual scheme).

4.15 Financial contributions are either spent on the Council's Local Authority New Build (LANB) programme, or by grant funding delivery of affordable units by other registered providers (RPs). In practice, as there are currently no emerging proposals in Reading for development by other RPs, all financial contributions are currently being allocated towards the LANB programme. The first new homes to be delivered as part of Phase 1 of the LANB programme, at Conwy Close, have been completed during 2018-19. Phase 2

of the programme has been approved and will complete over the next 3 years. Approval for spending on Phase 3 of the LANB programme is currently being sought, and the Council is extremely confident that it will be able to spend this money on delivering new affordable homes.

5 VIABILITY TESTING REPORT QUERY

The Viability Testing Report (March 2018) para 6.9 Scenario testing refers to scope for in-lieu payment and enhanced profit payment for a single new dwelling. There is no additional explanation provided in the Note from BPS dated 7 November 2018. Could the Council clarify the percentage that represents an enhanced profit payment and why this is acceptable?

5.1 The Viability Testing Report (EV006) states, at paragraph 6.9:

“The small single unit development modelled under Scenario A clearly cannot deliver on site affordable being a single unit development, however at our testing level land value there is clearly scope for an in lieu payment as well as enhanced /profit land payment.”

5.2 Existing or proposed affordable housing policies in Reading do not ask for an ‘enhanced/profit land payment’, and there is no proposal to do so. The reference here is merely a passing comment by the authors (BPS) that there is plenty of headroom to allow for a payment related to enhanced profit if it was part of the Local Plan policy, but as stated above that is not the case. It does not therefore have any implications for the policy.

5.3 Each scenario was tested using a residual appraisal. The small site scenario A was based on development of a single residential unit. The detail of how viability was appraised for this scenario is set out in Appendix 3, but in summary this shows that after allowing for CIL the scheme residual value was £193,550 (see Table 9 of the Viability Testing Report). BPS estimated the 10% affordable housing provision under Policy H3 for this scenario to be £12,167 (details of the calculation are in Appendix 3). On this basis there would be a sum of £181,383 remaining after making an in lieu payment which could be used as either super profit or available to fund an enhanced payment for land.

5.4 The paragraph was not intended to suggest that enhanced profit margins should be seen as desirable, or that an additional payment was part of the policy approach, but merely that there was a lot of scope to make the in lieu 10% payment.

- 6 **ON-SITE PROVISION FOR SITES OF 5 TO 9 DWELLINGS:**
The requirements set out in paragraph 4.4.20 to demonstrate exceptional reasons why on-site provision cannot be achieved would place additional burdens on small-scale developers. A main modification was discussed at the Hearing accordingly and is acknowledged. Further to this, it would be helpful if the Council are able to provide evidence of local examples demonstrating the practicality of delivery of affordable housing units onsite for schemes of 5 to 9 dwellings over the past 10 years, and confirmation of support for this approach from providers of affordable housing.
- 6.1 As can be seen from Appendix 2, in reality, the Council very rarely secures provision of on-site affordable housing on sites of 5-9 dwellings. In practice, a financial contribution is usually secured, which is calculated on the basis of Gross Development Value (GDV) using the process shown in the Affordable Housing SPD, i.e. to secure a contribution equivalent to 20% of the development, 10% of GDV is used as the starting point².
- 6.2 Within the last year, there have been two sites on which the Council has secured a commitment to on-site affordable housing, as follows:
- 180624, 57 Baker Street, development for 9 dwellings: two units of affordable housing secured (with tenure not specified), and a default affordable housing contribution agreed if they cannot be provided;
 - 180417, land at corner of Crown Street and Newark Street, development for 9 dwellings: two units of affordable housing secured (rented), and a default affordable housing contribution agreed if they cannot be provided.
- However, at this stage, these are recent permissions which have not yet been implemented, so it is too early to say whether a registered provider will take up the units.
- 6.3 Very small numbers of affordable units on a site are rarely attractive to a registered provider (RP). It is more costly for an RP to maintain premises where they are scattered, and it is also more difficult to manage external issues such as noise and disturbance and complexities associated with any shared services or management arrangements with private dwellings. For this reason, it can be difficult for a small developer to find an RP willing to take on units. This is the reason a financial contribution is usually secured.
- 6.4 In view of the above, the Council wishes to propose a further main modification to bring the policy into line with existing practice and avoid placing undue burdens on developers. This forms a revised version of a main modification which had already been discussed at the hearings.
- 6.5 The Council suggests amending policy H3 as follows:
- “For sites of ~~more than 410~~ dwellings or more, provision should be made on site in the first instance with a financial contribution being negotiated to make up the full requirement as appropriate. On sites**

² Based on the assumption that 50% market value of a unit is the general level of contribution that will be needed to provide one unit by an RSL.

between 4 and 9 dwellings, the preference is for on-site provision wherever possible, but Registered Providers may not be able to take such a small amount of units, and in these cases an off-site financial contribution will be accepted."

6.6 The Council further suggests amending paragraph 4.4.20 as follows:

"Affordable housing contributions will be sought from residential-only developments and mixed-use developments. On-site provision (serviced land or completed units) of affordable housing will always be sought in the first instance on sites of 10 dwellings or more. Where there are exceptional reasons, the provision of surrogate sites (serviced land or completed units) or commuted sums that will enable the provision of a commensurate number and mix of affordable units, will be considered. Examples of exceptional circumstances may include sites where there are existing concentrations of particular types of affordable housing, where there are demonstrable benefits to be gained by providing the new units elsewhere (e.g. to create more socially-balanced communities), or where there is an opportunity to provide a particular type of much needed housing elsewhere (e.g. family housing). In the case of commuted sums, the Council will choose the registered provider to which to direct the funding or may use the contribution for Local Authority New Build. On site provision will also be preferred for sites of 5-9 dwellings, but the Council recognises that there can often be practical reasons why this cannot be achieved. This may require securing a default off-site financial contribution within the agreement in the event that on-site provision cannot be secured, or it may simply mean agreeing an off-site contribution in the first instance. Under this policy it is accepted that affordable housing provision can take place off site or through contributions in the case of sites of less than 5 dwellings."

- 7 LEVEL OF DETAIL ON VIABILITY REQUIRED:**
Paragraph 4.4.23 also requires developers to provide detailed information on the viability of a scheme, this would present additional administrative costs for small-scale developers. It would be helpful if the Council could consider what alternative approaches there might be for schemes below 10 dwellings in addressing viability concerns and set these out in the response.
- 7.1 Paragraph 4.4.23 of the Local Plan is a general requirement which relates to all sizes of site. In practice, the Council already takes a pragmatic approach to the level of information it requires from developers depending on the scale of the development. Viability assessments for small developments tend to be very limited in scope and length, whereas much more detail is required for large developments.
- 7.2 The Council has different levels of information requirements for different scales of development. For instance, large developments will be expected to be supported by full elemental cost plans, detailed Existing Use Value (EUUV) calculations etc, whereas for small schemes information on BCIS costs and estate agent opinions on sales will often suffice. The current Affordable Housing SPD includes, at Appendix 5, a checklist of the information required to demonstrate a viability argument for a reduced affordable housing contribution, and makes the following point:
“Not all the information will be required for small schemes of less than 10 units. Some of the information in Tables 2 and 3 would not necessarily apply to such schemes. However, applicants will need to be clear on the form as to why that information is not relevant to considering the viability of their schemes.”
- 7.3 The information in the SPD not required for schemes of less than ten dwellings includes construction timescales and phasing, detailed cashflow and terms of acquisition.
- 7.4 As an example, the viability assessment to support a recent development for 8 dwellings (land adjacent to 153 Bath Road, reference 161812) amounted to a two-page viability summary, together with a schedule of the estate agent valuations of each unit. The viability summary consisted simply of a listing of the main financial elements - the sales value, the land price, costs (including all consultants fees, construction costs, including off-site works, drainage, utilities connections, sales and legal fees and interest) and an allowance for profit. Preparing such an assessment does not represent a particular burden for a developer of any scale.
- 7.5 Ultimately, the level of information requested for small developments will reflect work which will have been undertaken by a developer in any case when making their initial business decision to proceed, and should not require significant additional work at application stage.
- 7.6 In addition, the Council has in-house viability expertise which is used to evaluate the viability assessments (although external consultants are also used). The fee structure is tailored to the scale of the application scheme, as follows:
- 1 unit- £1,500

- 2-4 units - £2,500
- 5 - 9 units - £4,000
- 10 - 14 units - £5,000
- 15 - 29 units - £8,000
- 30 + units - £10,000
- Multi-phase schemes - £15,000

7.7 It is accepted that, although taking a proportionate approach to viability is established RBC practice that is expected to continue, it is not currently reflected in the wording of the Local Plan. As the Council stated during the hearings, the proposal is to revise the Affordable Housing Supplementary Planning Document later in 2019, and the SPD is the appropriate location for detailed information on what should be submitted at application stage. However, the Council proposes that a main modification should establish the principle that information requirements for small sites will be less onerous.

7.8 The Council therefore proposes that paragraph 4.4.23 is amended as follows.

“However, the Council will be sensitive to exceptional costs of bringing a site to market such as for reasons of expensive reclamation, or infrastructure costs, or high existing use values. Where applicants can demonstrate, to the satisfaction of the Council, exceptional difficulties in bringing a site to market, the Council will be prepared to consider ~~detailed~~ information on the viability of a particular scheme and, where justified through an open book approach, to reduce the affordable housing requirement. The specific information required is set out in the Affordable Housing SPD, to be revised later in 2019, but in general terms, this will be proportionate to the scale of development, with a proposal for less than 10 dwellings requiring more focussed information. As development costs are usually reflected in the residual land value, the purchase price of a particular site will not, on its own, be a reason for reducing the affordable housing requirement. The Council will generally secure provision of affordable housing through a Section 106 agreement.”

8 CONCLUSION

- 8.1 In summary, the Inspector has asked the following in the Post-Hearing Advice Note.

“Could the Council please explain how they consider this information provides justification for the policy, having regard to the impact on small-scale developers. Additionally, with this option, the Council may wish to propose alternative approaches to the small sites affordable housing requirement.”

- 8.2 The Council considers that the information set out in this note, as well as the evidence submitted alongside the Local Plan and provided immediately following the hearings, justifies the requirement in policy H3 for contributions towards affordable housing from small sites for the following reasons.

A. Reading has an overwhelming need for new affordable housing

The Berkshire SHMA (EV011) assessed the need for new affordable homes in the area, and concluded that Reading was in need of 406 homes per annum, which equates to some 58% of the overall housing need. There is no chance that the needs can be met in full, but it clearly shows that it is essential to maximise the delivery of new affordable homes from all sources.

B. Affordable housing contributions from small sites represent a small but significant source of supply.

As set out in section 4, contributions from small sites are expected to equate to around 5% of affordable housing provision over the plan period. Whilst this is not a large proportion, it is still a vital contribution that Reading can ill afford to lose in the context of its very high needs, assessed as 406 homes per year.

C. Provision from small sites will be likely to deliver financial contributions and/or affordable homes more evenly throughout the plan period.

Previous evidence has shown that small sites tend to keep delivering relatively well even in difficult economic times. Paragraph 4.2 and Table 9 of the HELAA (EV014) shows that, even when overall completions were very low due to the recession, between 2009 and 2012, delivery of small sites held up well. This means that financial contributions to affordable housing would be expected to be received more evenly across the plan period than for larger sites, meaning that affordable homes can continue to be delivered even in challenging economic circumstances.

D. The requirements of this element of policy H3 have been shown to be viable.

The policy has been subject to viability testing (EV006) which demonstrates that such requirements do not place a disproportionate burden on small-scale developers. In fact, the viability testing shows that, generally, small developments can afford to provide a higher level of affordable housing without affecting overall viability.

- E. There is no evidence that the Council's requirements for small site affordable housing have deterred developers from seeking planning permission.**

Section 2 shows that, despite the Council securing affordable housing contributions, there is a healthy stock of planning permissions for developments of both 1-4 and 5-9 dwellings, many of which are underway. Anecdotally, this matches the Council's experience, in that it is not aware of a particular trend for developers to be deterred by affordable housing requirements. As this has been the situation for the past seven years and is not unique to Reading, developers have already allowed for making a contribution in the same way that they allow for the CIL payment and other charges

- F. There is no clear evidence that the Council's requirements for small site affordable housing have led to a reduction in completions of small sites.**

Section 3 shows that completion rates for small sites do not show particular evidence of reduction due to the introduction of small site affordable housing requirements in 2012. Development has continued to be delivered on small sites at a healthy rate.

- G. The Council's already takes a proportionate approach to viability evidence for smaller schemes to avoid burdening small developers, and a main modification can be made to reflect this.**

Section 7 demonstrates that the Council takes a proportionate approach to the information it seeks to demonstrate viability on small sites, which is set out in the Affordable Housing SPD and can be looked at in detail when the SPD is reviewed. A proposed main modification to the Local Plan would make this more explicit.

- H. The Council's evidence to demonstrate the exceptional reasons why small sites should contribute to affordable housing continues to be supported at appeal.**

Updated information on appeal decisions for affordable housing on small sites was submitted to the Inspector in October 2018 (EC029), covering 27 appeals in total. Since that point, the Council's position has been supported in all six subsequent appeals where it was considered³.

- I. Whilst there is a particular difficulty in achieving on-site provision for sites of 5-9 dwellings, this can be addressed by a main modification.**

It is accepted that on-site provision on sites of 5-9 can be difficult to achieve, and that in practice the Council usually accepts a financial contribution. This issue can be addressed through a main modification, which is set out in section 6.

³180704 (APP/E0345/W/18/3208891), 1 Kenilworth Avenue (dismissed 28/11/2018)
180128 (APP/E0345/W/18/3210325), 2 Wrenfield Drive (dismissed 30/11/2018)
171802 (APP/E0345/W/18/3204403), 2 Connaught Close (dismissed 03/12/2018)
180563 (APP/E0345/W/18/3205140), 3 Prospect Street (dismissed 18/12/2018)
172017 (APP/E0345/W/18/3208809), 22 Quantock Avenue (dismissed, 08/01/2019)
172325 (APP/E0345/W/18/3211966), 20 Chalgrove Way (allowed but with affordable housing covered in Unilateral Undertaking, 27/03/2019).

APPENDIX 1 - REVISED REQUEST FROM INSPECTOR

Sent: 02 April 2019 16:15
To: Programme Officer
Subject: RE: Post Hearing Note
Importance: High

Hi Jane

Could you please forward the following on to the team?

I have re-considered the timeframe and where I have requested historical information, this should be from 1 April 2012 (to cover the period with the introduction of the original of Policy DM6). I am content with the 2018 end date. I am also seeking to clarify what information I need and consider the information below will suffice:

1. Information on all extant permissions (existing permissions) where would have been a net gain for 5-9 and 1-4 dwellings – it will be helpful to have information on the size of each site given permission and any commentary on whether development has commenced if this is known.
2. The figures for completions on individual sites for 5-9 and 1-4 dwellings from 2012 - site size is not necessary for this element.

If the team have any further questions I will be happy to answer them.

Kind regards

Louise

APPENDIX 2 - LIST OF OUTSTANDING PERMISSIONS FOR DEVELOPMENT OF NET GAIN OF 1-4 AND 5-9 DWELLINGS AT 31ST MARCH 2018

Sites of 1-4 dwellings outstanding at 31st March 2018

(sites contributing to affordable housing are highlighted in grey)

App Ref	Address	Postcode	Date permitted	Description	Dwellings (overall)	Dwellings (net gain)	Site Area (ha)	Affordable housing requirement	Progress 2018	Progress 2019 (where known)
130701	196 Whitley Wood Road	RG2 8LQ	17/10/2013	Demolition of existing bungalow and construction of three 2-bed terraced houses.	3	2	0.1	Off-site financial contribution - £11,000	Demolition complete	Demolition complete
131337	Land rear of 52 Russell Street	RG1 7XH	14/02/2014	The erection of a terrace of 3no. 2-bed houses following demolition of garages on land to the rear of 52 Russell Street.	3	3	0.07	Off-site financial contribution - £6,275	Under construction	Completed
140603	Swimming Pool Complex, Admirals Court		17/03/2017	Demolition of pool complex and erection of a building comprising of four 2x bed flats and four car parking spaces.	4	4	0.04	Off-site financial contribution - £20,000	Under construction	Completed
141107	Flat 1, 245 Oxford Road	RG1 7PX	28/07/2016	Conversion of upper & lower ground floor maisonette into one 2 bed and one 1 bed flat.	2	1	0.04	N/A - conversion of building (post July 2016)	Not started	Not started
141375	Kentwood Methodist Church, 181 Kentwood Hill, Tilehurst	RG31 6JE	19/11/2015	New 4 bed detached house at the rear of 181 Kentwood Hill. See 170631 for VARIAT to allow fifth bedroom.	1	1	0.16	Off-site financial contribution - £20,000	Not started	Not started
141692	Fawley Surgery, 12 Coley Avenue	RG1 6LQ	01/08/2016	Conversion of first floor from residential accommodation ancillary to a chiropodist to one bedroom self contained flat.	1	1	0.03	N/A - conversion of building (post July 2016)	Under construction	Completed
141868	Land adjacent to 11 Blackwater Close, Caversham	RG4 6NP	26/01/2016	Outline application for the erection of additional 1-bedroom self-contained dwelling house (access, appearance, layout and scale). For	1	1	0.04	Off-site financial contribution - £9,250	Not started	Under construction

				reserved matters see 162054.						
141882	28 Venetia Close, Emmer Green	RG4 8UG	23/06/2016	Outline application for the erection of a 4 bedroom two storey detached house (access and layout). See 170120 for reserved matters.	1	1	0.04	None - small site contribution not agreed by Inspector at appeal. Not included in EC029 as it predates Court of Appeal decision	Under construction	Under construction
150081	61 Addington Road	RG1 5PZ	22/06/2016	Conversion of existing house into four self-contained apartments, incorporating a two-storey rear extension and formation of vehicular crossover from Addington Road.	4	3	0.02	None - small site contribution not agreed by Inspector at appeal. Not included in EC029 as it predates Court of Appeal decision	Under construction	Under construction
150517	112-126 Southampton Street	RG1 2QX	19/04/2017	Demolition of existing garages and erection of 3 x 3 bed dwellings	3	3	0.08	Off-site financial contribution - £40,000	Not started	Under construction
150539	The Pond House PH, 738 Oxford Road	RG30 1EH	25/07/2016	Development of 3 houses on land to rear of public house	3	3	0.08	None - small site contribution not agreed by Inspector at appeal (see EC029)	Not started	Not started - superseded by permission for development of 6 flats, now under construction.
150624	10 Moreleigh Close	RG2 8SQ	14/04/2016	Proposed construction of 1 three bedroom house with parking, amenity space and cycle storage.	1	1	0.03	Off-site financial contribution - £13,750	Not started	Under construction
150682	14 Cholmeley Road	RG1 3NQ	19/05/2016	Conversion of existing shop with residential accommodation over into 2 x 1 bedroom apartments and 1 x 3 bedroom apartment, and a two and	2	2	0.02	Off-site financial contribution - £15,000	Under construction	Under construction

				a half storey front extension						
150753	37 Richmond Road, Caversham	RG4 7PR	29/02/2016	Demolition of existing 4 bed bungalow and replacement with 2x5 bed properties, including highways and landscaping.	2	1	0.18	Off-site financial contribution - £75,000	Not started	Under construction (demolition complete)
150863	355-357 Gosbrook Road, Caversham	RG4 8ED	09/07/2015	Prior approval for change of use of building from Class A1 (retail) to C3 (dwellinghouses) to comprise 4 x 1 bed flats. See 161498 for external alterations. See 170938 for first floor extensions.	4	4	0.03	N/A - prior approval	Under construction	Under construction
150872	Land adjacent to 41-43 Brybur Close	RG2 8HN	22/08/2016	Demolition of a block of five garages. Erection of a two bedroomed house and the provision of 2 no. off-street car parking spaces utilising the existing vehicular access, with allocated cycle and bin storage	1	1	0.03	Off-site financial contribution - £14,500	Not started	House completed, not in accordance with plans.
151144	Rear of 52 Norcot Road, Tilehurst	RG30 6BU	18/08/2017	2 x 2 bed Semi-detached houses to the rear of 52 Norcot Road, including landscaping and vehicular access	2	2	0.05	Off-site financial contribution - £23,000	Not started	Not started
151479	71 Southcote Lane	RG30 3AQ	15/02/2016	Construction of a new detached house in the land adjacent to 71 Southcote Lane following demolition of existing outbuildings.	1	1	0.05	Off-site financial contribution - £21,250	Under construction	Completed
151500	155 Friar Street	RG1 1HE	21/07/2016	Change of use of the upper floors from office to residential and internal alterations to form 3 flats and new shop front at ground floor level.	3	3	0.02	N/A - conversion of building (post July 2016)	Not started	Not started - superseded by permission for serviced apartments (C1 use)
151942	68 Swainstone Road	RG2 0DX	23/03/2017	Construction of one bedroom end of terrace dwelling	1	1	0.01	Off-site financial contribution - £10,000	Under construction	Under construction
151959	10 Baker Street	RG1 7XU	09/09/2016	Conversion of two storey local shop into 3 apartments, two one-bedroom apartments on ground floor	3	3	0.01	N/A - conversion of building (post	Not started	Under construction

				and one two-bedroom apartment on first floor.				July 2016)		
152026	49 Wokingham Road	RG6 1LG	10/11/2016	Demolition of existing store and workshop and access to first floor flat. Erection of new two-storey rear extension to provide a 4 single bedroom, 4 person, House in Multiple Occupation (Class C4) with separate access to existing first floor flat.	1	1	0.01	Off-site financial contribution - £15,500	Not started	Not started
152039	Felix Cottages, Kiln Road, Emmer Green	RG4 9PE	16/09/2016	Erection of a five bedroom detached dwelling on land adjacent to No. 1 Felix Cottages and a single storey rear extension to No. 1 Felix Cottages.	1	1	0.1	Off-site financial contribution - £34,000	Not started	Not started
152100	53 Westwood Glen, Tilehurst	RG31 5NW	11/08/2016	Erection of a 3 bedroom attached dwelling on existing residential garden land adjacent to 53 Westwood Glen.	1	1	0.03	Off-site financial contribution - £17,500	Under construction	Completed
152188	79 Tean House, Havergate Way	RG2 0GU	30/03/2016	Change of use of units 9, 10 and 11 from B1 office to C3 residential to create 4 flats.	4	4	0.03	Off-site financial contribution - £54,725	Not started	Under construction
152237	59 St Michael's Road, Tilehurst	RG30 4RR	07/06/2017	Demolition of existing garage and erection of two storey semi-detached dwelling.	1	1	0.03	Off-site financial contribution - £15,000	Not started	Not started
160023	Upper Grnd Floor Havell House, 62-66 Queens Road	RG1 4AZ	02/06/2016	Prior approval for change of use of Upper Ground Floor from Class B1(a) (offices) to C3 (dwelling houses) to comprise 1 X 2-bed and 2 X 1-bed flats.	3	3	0.06	N/A - prior approval	Not started	Not started
160024	Second Floor Havell House, 62-66 Queens Road	RG1 4AZ	02/06/2016	Prior approval for change of use of the second floor from Class B1(a) to C3 (dwelling houses) to comprise of 4 x 1 bed flats.	4	4	0.06	N/A - prior approval	Not started	Not started
160025	Third Floor Havell House, 62-66 Queens Road	RG1 4AZ	02/06/2016	Prior approval for change of use of 3rd floor only from Class B1(a) (offices) to C3 dwelling houses to	2	2	0.06	N/A - prior approval	Not started	Not started

				comprise 2 X 2-bed flats.						
160026	First Floor Havell House, 62-66 Queens Road	RG1 4AZ	02/06/2016	Prior approval for change of use of the first floor from Class B1(a) (offices) to C3 (dwelling houses) to comprise of 4 x 1 bed flats.	4	4	0.06	N/A - prior approval	Not started	Not started
160060	Land adjacent to 12 Carey Street		26/01/2017	Proposed demolition of existing single storey building and erection of new two-storey two bedroom dwelling	1	1	0.01	Off-site financial contribution - £16,250	Not started	Under construction
160098	92 Lower Henley Road, Caversham	RG4 5LE	19/06/2017	Erection of three bedroom detached dwelling including fenestration alterations to No.92	1	1	0.07	Off-site financial contribution - £20,500	Not started	Under construction
160255	74 Northcourt Avenue	RG2 7HQ	09/12/2016	Erection of one detached 4 bed dwelling and detached garage to rear of existing dwelling, served by new driveway (resubmission of application 151675). See 171055 for minor material amendment.	1	1	0.10	Off-site financial contribution - £30,000	Under construction	Completed
160290	Brightwell House, 40 Queens Road	RG1 4AU	25/07/2016	Change of use at rear ground floor level from clinic to one residential unit, erection of single storey building to rear for associated cycle/waste storage and associated works.	1	1	0.01	N/A - conversion of building (post July 2016)	Not started	Completed
160417	25 Prospect Street, Caversham	RG4 8JB	08/02/2017	Change of use from 2 bedroom first and second floor flat to 2 one bedroom flats and two storey rear extension; plus create studio flat on the ground floor with single storey rear extension	3	2	0.01	N/A - conversion of building (post July 2016)	Not started	Not started
160456	87 Thirlmere Avenue, Tilehurst	RG30 6XH	28/02/2017	Additional 3-bedroom semi-detached dwelling on the side garden of 87 Thirlmere Ave and loft conversion to create an additional bedroom to existing property.	1	1	0.02	Off-site financial contribution - £15,000	Not started	Under construction
160595	Land adjacent to 41-43 Shakespeare Close, Caversham	RG4 6QE	08/02/2017	Erection of 1 x 3-bed dwelling with integral garage on land adjacent No. 4 Shakespeare Close.	1	1	0.02	Off-site financial contribution -	Under construction	Completed

								£5,000		
160822	219 Hartland Road	RG2 8DN	13/03/2017	Additional 3 bedroom 2 storey detached new dwelling on side of the existing house following demolition of existing detached garage and hip to gable conversion of existing dwelling.	1	1	0.04	Off-site financial contribution - £15,749	Not started	Under construction
160862	1a Beecham Road	RG30 2RA	11/07/2017	Prior approval for change of use from storage or distribution Buildings (Class B8) to dwelling houses (Class C3) for 2 x 1 bed and 2 x 2 bed dwellings.	4	4	0.02	N/A - prior approval	Not started	Not started
160959	153 Hemdean Road, Caversham	RG4 7QU	04/01/2018	Demolition of existing dwelling and construction of 3 no. detached dwellings, 2x 4-bedroom and 1x 3-bedroom.	3	2	0.2	Off-site financial contribution - £25,000	Not started	Not started
161036	133 Caversham Road	RG1 8AS	02/09/2016	Prior approval for a proposed change of use of a building from shops (Class A1) to a use falling within Class C3 (Dwellinghouses), and for associated operational development.	2	2	0.01	N/A - prior approval	Not started	Not started
161056	465 Oxford Road	RG30 1HF	07/11/2016	Conversion of existing warehouse to form a 4 bedroom dwelling with associated works.	1	1	0.02	N/A - conversion of building (post July 2016)	Not started	Not started
161183	Land to the rear of 282 Henley Road, Caversham	RG4 6LS	23/05/2017	Proposed erection of 4 no 3 bed dwellings, and associated works including removal of 2 no trees to facilitate creation of internal access road from Montfort Gate.	4	4	0.12	Off-site financial contribution - £41,500	Not started	Under construction
161410	Land adjacent to 102 Radstock Road	RG1 3PR	19/12/2016	Proposed 2-bedroom detached house in land to the south of 102 Radstock Road. Proposed new drop kerb on Liverpool Road to create access for new dwelling.	1	1	0.04	Off-site financial contribution - £16,875	Not started	Under construction
161415	130 Queens Road	RG1 4DG	17/02/2017	Alterations to and extension of the roof for residential use, new external stairs to front of property	1	1	0.02	Off-site financial contribution -	Under construction	Completed

				providing separate access to basement and landscaping of area to front of property.				£13,187		
161533	111 Southampton Road	RG1 2QZ	14/09/2016	Prior approval for change of use of ground floor from Class A1 (shops) to C3 (dwellinghouses) to comprise of 2 self contained flats.	2	2	0.01	N/A - prior approval	Under construction	Completed
161550	159 Oxford Road	RG1 7UY	14/10/2016	Change of Use from B1a to C3 with alterations to divide the building into 2 maisonettes and 1 flat, including window alterations.	3	3	0.03	N/A - conversion of building (post July 2016)	Not started	Not started
161570	32 Alpine Street	RG1 2QA	25/11/2016	Conversion of newly built basement into an independent flat	2	1	0.01	N/A - conversion of building (post July 2016)	Under construction	Completed
161578	58 Westbourne Terrace	RG30 2RP	19/04/2017	Erection of 2 x 4 bedroom semi-detached houses following the demolition of existing dwelling.	2	1	0.03	Off-site financial contribution - £15,000	Under construction	Completed
161614	Brightwell House, 40 Queens Road	RG1 4AU	20/01/2017	Conversion of front part of the ground floor and the whole of the basement from a Clinic (Class D1) to create a 2 bedroom duplex apartment (Class C3)	1	1	0.01	N/A - conversion of building (post July 2016)	Under construction	Completed
161767	85 Bedford Road	RG1 7EZ	18/04/2017	Demolition of existing single storey factory extension and erection of 2 semi-detached two bedroom houses with associated parking.	2	2	0.02	Off-site financial contribution - £13,000	Demolition underway	Demolition complete
161768	85 Bedford Road	RG1 7EZ	14/12/2016	Conversion of existing building into 2 flats	2	2	0.01	N/A - conversion of building (post July 2016)	Not started	Not started
161958	11 Bridge Street	RG1 2LR	12/12/2016	Prior approval for change of use of upper two floors from Class B1(a) (offices) to C3 (dwellinghouses) to comprise three flats.	3	3	0.01	N/A - prior approval	Not started	Not started
161973	93 Donnington Road	RG1 5NE	23/01/2017	Proposed Conversion of building comprising 6 letting rooms with communal facilities to: 1 x 1 bed	4	3	0.02	N/A - conversion of building (post	Not started	Under construction

				maisonette; 1 x 2 bed maisonette; 2 x 1 bed flats; including a rear extension and roof alterations.				July 2016)		
162007	57 Foxhays Road	RG2 8NA	13/04/2017	Erection of 1 x 3 bed dwelling to the side of 57 Foxhays Road, including new access, parking layout and landscaping.	1	1	0.07	Off-site financial contribution - £15,500	Under construction	Completed
162035	Kentwood Methodist Church, 181 Kentwood Hill, Tilehurst	RG31 6JE	06/04/2017	Demolition of existing wooden frame building used as Church and 1 ancillary building and erection of 2 No. detached 4 bed dwellings, with parking spaces, garden shed and private garden.	2	2	0.09	Off-site financial contribution - £48,500	Not started	Not started
162098	29 Craven Road	RG1 5LE	28/03/2017	3 self-contained flats next to existing building.	3	3	0.14	Development for 100% on-site affordable homes	Under construction	Completed
162199	371 Gosbrook Road, Caversham	RG4 8ED	11/12/2017	Proposed conversion of 1st floor and part of ground floor (access only) from D2 (Assembly & Leisure) to C3 (Residential) to create 1 x 2 bedroom flat with alterations to fenestration (D1 Nursery use to be retained at ground floor).	1	1	0.03	N/A - conversion of building (post July 2016)	Not started	Completed
162239	115 Oxford Road	RG1 7UH	25/01/2017	Change of use from shop (Class A1) to mixed use for shop and two flats	2	2	0.02	N/A - conversion of building (post July 2016)	Not started	Under construction
162283	576 Oxford Road	RG30 1EG	28/04/2017	Creation of new self contained flat at second floor level and physical alterations & additions to rear ground, first and second floors	1	1	0.03	N/A - conversion of building (post July 2016)	Not started	Not started
162288	22 William Street	RG1 7DE	17/02/2017	Conversion of existing HMO (C4) into three self-contained flats	3	2	0.01	N/A - conversion of building (post July 2016)	Not started	Completed
162366	Land adjacent to The Horncastle, 208 Bath Road	RG30 2HJ	05/12/2017	Erection of one new dwelling at the rear of the Horncastle public house on New Lane Hill.	1	1	0.06	Off-site financial contribution -	Not started	Not started

								£20,750		
162376	8 Waverley Road	RG30 2PX	24/02/2017	Conversion of 5 bed dwelling house into 1x 3 bed flat and 2x 1 bed flats	3	2	0.03	N/A - conversion of building (post July 2016)	Not started	Not started
170050	23-25 Union Street and 49 Broad Street	RG1 2AA	08/03/2017	Prior approval for change of use of 1st and 2nd floors from Class B1(a) (offices) to C3 (dwelling houses) to comprise 1 X 1-bed and 1 X 2-bed flat.	2	2	0.02	N/A - prior approval	Not started	Not started
170067	505 Basingstoke Road	RG2 0SH	24/10/2017	Proposed 3 bed dwelling.	1	1	0.03	Off-site financial contribution - £18,437.50	Not started	Under construction
170109	217 Kentwood Hill, Tilehurst	RG31 6JD	30/11/2017	Erection of a detached 3 bed chalet bungalow and parking area served by new driveway	1	1	0.07	Off-site financial contribution - £21,875	Not started	Under construction
170161	273 Basingstoke Road	RG2 0HY	23/05/2017	Change of use to existing first floor from A2 to C3 incorporating extensions to first and second floor to create 4 no. new flats with bin storage to rear of ground floor.	4	4	0.02	Off-site financial contribution - £15,000	Not started	Under construction
170185	40 Church Street, Caversham	RG4 8AU	13/06/2017	Application for a Lawful Development Certificate for a Proposed change of use of first floor to residential accommodation.	2	2	0.02	N/A - certificate of lawfulness	Partially complete	Partially complete
170212	12 Shaftesbury Road	RG30 2QP	14/09/2017	Demolition of existing building and erection of 4 no. residential dwellings, with associated parking, landscaping and amenity space.	4	4	0.06	Off-site financial contribution - £20,000	Under construction	Completed
170260	1 Honey End Lane	RG30 4EL	01/02/2018	Conversion and extension of existing dwelling to 4 x 2 bedroom flats	4	3	0.06	Off-site financial contribution - £17,000	Not started	Under construction
170291	The Red Cow PH, 50 Crown Street	RG1 2SE	30/08/2017	Change of use of pub (A4) to restaurant (A3) at ground floor and erection of a single storey rear/side	3	3	0.10	N/A - conversion of building (post	Not started	Under construction

				extension; conversion of upper floor into three (2x studio & 1x 1-bed) self- contained flats including a first floor side extension.				July 2016)		
170300	133 Whitley Wood Road	RG2 8JH	23/01/2018	New development of two x 2-bedroom bungalows with 2 parking spaces per property.	2	2	0.11	Off-site financial contribution - £16,250	Not started	Not started
170302	27 Queen Street, Caversham	RG4 7RB	05/05/2017	Conversion of existing single dwelling to two separate dwellings, including conversion of existing garage to habitable accommodation, associated changes to fenestration and proposed side porch	2	1	0.04	N/A - conversion of building (post July 2016)	Not started	Not started
170353	92a Oxford Road	RG1 7LJ	26/06/2017	First floor rear extension and conversion of existing flat on first and second floor to 1 x one bedroom flat and 1 x two bedroom flat	2	1	0.01	N/A - conversion of building (post July 2016)	Not started	Not started
170452	32 Northcourt Avenue	RG2 7HD	02/11/2017	Demolition of the existing dwelling and detached garage and construction of 2 x 5 bedroom detached dwellings with integral garages.	2	1	0.10	Off-site financial contribution - £25,000	Demol complete	Completed
170501	90 Friar Street	RG1 1EL	12/06/2017	Application for a change of use from A1 (Shop) to C3 (Dwelling Houses) to the first and second floors only to form 2x2 bed units. Alterations to shop front	2	2	0.01	N/A - conversion of building (post July 2016)	Not started	Not started
170519	155 Whitley Wood Lane	RG2 8PW	08/08/2017	Outline application with all matters reserved for the demolition of existing buildings and construction 4 No. new houses.	4	4	0.1	Off-site financial contribution - specified only as 5% of GDV	Not started	Not started - now superseded by full permission for 4 dwellings.
170654	146 Friar Street	RG1 1EX	19/07/2017	Change of use of first and second floor from B1a Office to C3 residential to provide two self contained flats, together with additional first floor window to rear elevation. 172172 is alternative	2	2	0.02	N/A - conversion of building (post July 2016)	Not started	Not started

				change of use permission for one flat.						
170714	78 London Street	RG1 4SJ	28/06/2017	Prior approval for change of use from Class B1(a) (offices) to C3 (dwelling houses) to comprise 2 no. 1 bed (maisonette at basement and ground floor; flat at first floor) and 1 no. 2 bed (maisonette at second and third floor) flats.	3	3	0.01	N/A - prior approval	Not started	Not started
170727	3 St Ronans Road	RG30 2QE	14/09/2017	Erection of a two bedroom house.	1	1	0.05	Off-site financial contribution - £13,625	Under construction	Under construction
170735	171 Blagdon Road	RG2 7NE	20/07/2017	Proposed construction of a detached two bedroom house with parking, private amenity space and cycle storage within the side garden of 171 Blagdon Road.	1	1	0.05	Off-site financial contribution - £14,000	Not started	Under construction
170816	Ground Floor, 128 Caversham Road	RG1 8AY	18/07/2017	Prior approval for change of use of ground floor from Class A1 (shops) to C3 (dwellinghouses) to comprise 1x 2-bed flat and 2x 1-bed flats. See 161865 for alternative retail prior approval for two flats. See 170839 for additional development.	3	3	0.01	N/A - prior approval	Under construction	Completed
170818	35 Alpine Street	RG1 2PY	17/07/2017	Garage conversion and part single-part two-storey rear extension to create a two-bedroom residential maisonette	1	1	0.01	N/A - conversion of building (post July 2016)	Not started	Not started
170839	Rear of 128 Caversham Road	RG1 8AY	18/07/2017	Change of use of ground floor only from Class B1(a) (offices) to C3 (dwelling houses) to comprise 2 one bedroom flats. See 170816 for additional development.	2	2	0.01	N/A - prior approval	Not started	Under construction
170845	51 Southampton Street	RG1 2QP	18/07/2017	Prior approval for change of use of ground, first and second floors from Class B1(a) (offices) to C3 (dwellinghouse) to comprise 3 x 2-bed flats.	3	3	0.01	N/A - prior approval	Not started	Under construction

170909	177 Upper Woodcote Road, Caversham	RG4 7JR	01/02/2018	Erection of two-storey dwelling with integral garage	1	1	0.09	Off-site financial contribution - £50,000	Not started	Not started
171059	24 Norwood Road	RG1 3LD	06/11/2017	Proposed conversion of existing dwelling to form 3 flats (1 x 2 bed and 2 x 1 bed) with ground and first floor rear extension	3	2	0.01	N/A - conversion of building (post July 2016)	Not started	Completed
171060	2 London Court, East Street	RG1 4QL	24/08/2017	Prior approval for change of use of Building from Class B1(a) (offices) to C3 (dwelling houses) to comprise 1 x 1 bed and 1 x 2 bed flats.	2	2	0.01	N/A - prior approval	Under construction	Completed
171070	Land to the rear of 79 Henley Road, Caversham	RG4 6DS	19/10/2017	Erection of two dwellings with associated hard surfacing and landscaping	2	2	0.08	Off-site financial contribution - £50,000	Under construction	Completed
171221	Seafield Court, Russell Street	RG1 7XD	12/10/2017	Conversion of a disused basement storage area in to two new residential units.	2	2	0.01	N/A - conversion of building (post July 2016)	Not started	Not started
171243	45 Whitley Wood Lane	RG2 8PN	22/11/2017	Outline application for the erection of a new detached dwelling at land to the rear of 45 Whitley Wood Lane with access off Byworth Close with all matters reserved apart from access and layout.	1	1	0.02	Off-site financial contribution - £15,000	Not started	Not started
171255	126 Westwood Road, Tilehurst	RG30 4PT	16/11/2017	Proposed single storey detached 2 bedroom bungalow on land at rear of 126 Westwood Road	1	1	0.04	Off-site financial contribution - £17,812.50	Not started	Under construction
171466	578 and rear of 580-584 Oxford Road	RG30 1EG	22/01/2018	Demolition of existing rear buildings, erection of a two storey rear extension to 578 Oxford Road and construction of 2 no. one bedroom dwellings	2	2	0.01	Off-site financial contribution - £19,250	Not started	Not started
171524	196 Oxford Road	RG30 1AA	15/11/2017	Refurbishment and change of use from a licensed 10 person House in Multiple Occupation (sui generis) to 2 two bed flats and a studio (C3a	3	3	0.02	N/A - conversion of building (post July 2016)	Not started	Not started

				use)						
171573	75 Bedford Road	RG1 7EY	11/12/2017	Subdivision of existing dwelling to create 2 no 1 bed flats and 1 no 2 bed flat. New rear dormer to loft.	3	2	0.02	N/A - conversion of building (post July 2016)	Not started	Not started
171769	5-7 Norcot Road, Tilehurst	RG30 6BP	01/12/2017	Change of use from Doctors Surgery (Class D1) to offices on the ground floor (Class B1) and self contained 1 bedroom flat on the first floor (Class C3).	1	1	0.05	N/A - conversion of building (post July 2016)	Under construction	Completed
171894	Land rear of 8 Prospect Street	RG1 7YG	22/12/2017	Prior approval for change of use of building from Class B1(c) (light industrial) to C3 (dwellinghouses) to comprise of 3 x 1 bed flats & 1 x 2 bed flats.	4	4	0.03	N/A - prior approval	Not started	Not started
172107	30 Alpine Street	RG1 2QA	09/02/2018	Conversion of existing basement into an independent flat.	2	1	0.01	N/A - conversion of building (post July 2016)	Not started	Under construction
172194	14a Lemart Close, Tilehurst	RG30 4UE	26/01/2018	Prior approval for change of use of 14a Lemart Close from Class B1(a) (offices) to C3 (dwelling houses) to comprise 2 x 1-bed flats.	2	2	0.01	N/A - prior approval	Not started	Under construction
172280	Wantage Road Post Office, 180 Wantage Road	RG30 2SJ	09/02/2018	Certificate of lawfulness for a proposed change of use from shop with ancillary residential accommodation to a mixed use of shop and storage on the ground floor, one studio on the first floor and 1 x 1 bedroom flat on the first and second floor.	2	1	0.03	N/A - certificate of lawfulness	Not started	Under construction
180066	13 Bridge Street, Caversham	RG4 8AA	27/02/2018	Prior approval for change of use of first and second floors from Class B1(a) (offices) to C3 (dwelling houses) to comprise of 2 x 2 bed apartments.	2	2	0.01	N/A - prior approval	Under construction	Completed
180259	77 Corwen Road, Tilehurst	RG30 4ST	29/03/2018	Change of use to split existing dwelling into two dwellings and associated internal alterations,	2	1	0.05	N/A - conversion of building (post	Not started	Completed

			widen existing pavement crossover.				July 2016)	
			TOTALS FOR SITES OF 1-4 DWELLINGS	217	197	4.33	Financial contributions of £1,080,811	

Sites of 5-9 dwellings outstanding at 31st March 2018
(sites contributing to affordable housing are highlighted in grey)

App Ref	Address	Postcode	Date permitted	Description	Dwellings (overall)	Dwellings (net gain)	Site Area (ha)	Affordable housing requirement	Progress 2018	Progress 2019 (where known)
060683	307-311 Gosbrook Road, Caversham	RG4 8DY	07/12/2006	Demolition of existing printing works and erection of 4 apartments and 1 garden flat.	5	5	0.05	None - predates policy DM6	Under construction	Under construction
111736	137 London Road	RG1 4SJ	14/05/2012	Proposed change of use from three self-contained one-bedroom flats and five bedsits with shared bathroom facilities, to four self-contained studio flats, one self-contained one-bedroom flat and one self-contained two-bedroom flat.	6	3	0.015	None - predates policy DM6	Under construction	Under construction
130882	Land at junction of Addison Road and Meadow Road	RG4 8NH	25/02/2016	Construction of 5 x 3 bedroom dwellings with associated parking.	5	5	0.07	Off-site financial contribution - £177,000	Not started	Under construction
141516	2a Prospect Mews	RG1 7YG	15/02/2017	The demolition of a commercial building containing a panel beating, a spray booth and a valeting service and to construct a residential development providing 4 x two bedroom flats and 2 x one bedroom flats including change of use.	6	6	0.04	Off-site financial contribution - £64,500	Under construction	Completed
150325	28 Wokingham Road	RG6 1JQ	03/05/2016	Erection of seven new flats: 4 x 2 bed flats and 3 x 1 bed flat	7	7	0.07	Off-site financial contribution - £163,000	Not started	Not started
152075	993 Oxford Road	RG31 6TL	26/05/2016	COU from residential home for adults with severe learning difficulties into 6 flats - 1 x 3-bed, 2 x 2-bed and 3 x 1-bed. First floor rear extension, and dormers and rooflight to front.	6	6	0.07	Off-site financial contribution - £19,750	Under construction	Completed
160246	5 Westcote Road	RG30 2DL	11/01/2018	Demolition of existing dwelling and erection of a part one, part two storey building comprising 2 x 1-bed and 6 x 2-bed flats, with associated	8	7	0.10	Off-site financial contribution - £70,000	Under construction	Under construction

				parking, refuse store, and cycle store.						
160342	Land rear of 36-46 Mason Street		14/02/2017	Erection of a part 1, part 2 storey residential (Class C3a) building comprising 5x1-bed units (Supported Housing) with associated landscaping, bin and cycle storage, following demolition of existing office/workshop.	5	5	0.06	Development for 100% on-site affordable homes	Under construction	Completed
160361	154 Southampton Street	RG1 2RD	27/07/2016	Single-storey rear extension and change of use of a large sui generis HMO to five self-contained studio flats and two self-contained one-bedroom apartments.	7	7	0.01	N/A - conversion of building (post July 2016)	Under construction	Completed
160571	92-96 Southampton Street	RG1 2QX	07/08/2017	The erection of a building containing 7 dwellings to the rear of 92-96 Southampton Street, including altered access off Pell Street and landscaping/Listed building consent for works to the boundary wall to number 92 along Pell Street.	7	7	0.04	Off-site financial contribution - £50,000	Under construction	Under construction
160749	177 Kings Road	RG1 4EX	06/02/2017	Change of use from office (Class B1a) to 6 residential units (Class C3) including 2no. studios, 3no. two-bedroom and 1no. one-bedroom flats plus new front dormer and associated works	6	6	0.12	N/A - conversion of building (post July 2016)	Under construction	Completed
160938	750 & 752 Oxford Road	RG30 1EJ	21/02/2017	COU from ground floor betting shop (sui generis) and shop/showroom (A1) with first floor office (B1) changing to 8 no. residential flats (C3). Construction of an additional roof storey, and provision of parking, bin and cycle storage.	8	8	0.07	Off-site financial contribution - £22,500	Not started	Not started
161449	100 Kings Road	RG1 3BY	23/01/2017	Change of use at fourth and fifth floors from 9 apart-hotel suites (Class C1) to 9 (2xstudio, 1x1, 3x2 & 3x3-bed) residential units (Class C3)	9	9	0.19	N/A - conversion of building (post July 2016)	Not started	Not started
161812	Land adjacent to 153	RG30 2BD	30/03/2017	Erection of 4 x 2 bed flats, 2 x 1 bed	8	8	0.2	Off-site financial	Under	Completed

	Bath Road			flats and 2 x 2 bed maisonettes, with associated car parking, access and landscaping. 141363 is alternative permission for 3 x 3 bed houses and 2 x 2 bed maisonettes.				contribution - £97,125	construction	
170164	38 Queens Road	RG1 4AU	10/05/2017	Change of use from B1 offices to 6 self contained flats, C3 and associated works	6	6	0.03	N/A - conversion of building (post July 2016)	Under construction	Completed
170210	149-150 Friar Street and 2-4 Queen Victoria Street	RG1 1EX	28/04/2017	Proposed conversion of vacant office accommodation at first, second and third floor levels to create 7 x 2 bed residential units with part of ground floor and basement for ancillary storage space.	7	7	0.02	N/A - conversion of building (post July 2016)	Not started	Under construction
170341	87 London Street	RG1 4QA	26/04/2017	Prior approval for change of use of building from offices to dwelling houses to comprise 4 X 1-bed flats on first floor, 3 X 1- bed and 1 X 2-bed flats on second floor and 1 X 1-bed flat to rear of ground floor. Front of ground floor to remain B1(a).	9	9	0.07	N/A - prior approval	Under construction	Completed
170530	361-363 Oxford Road	RG30 1AY	19/07/2017	Roof extension and alterations to form an A1 retail unit and four residential flats at ground and first floor level and two residential flats at 2nd floor level.	6	6	0.03	Off-site financial contribution - £18,125	Under construction	Under construction
170555	130 Queens Road	RG1 4DG	26/05/2017	Prior approval for change of use from offices to 6 residential units.	6	6	0.02	N/A - prior approval	Under construction	Completed
170979	125 Chatham Street	RG1 7HT	12/08/2017	Prior approval for change of use of building from Class B1(a) (offices) to C3 (dwellinghouses) to comprise 8 x 1 bed flats.	8	8	0.03	N/A - prior approval	Not started	Not started
171231	51 Cressingham Road	RG2 7RX	27/03/2018	Demolition of existing house and garage. Erection of 2 new buildings containing 6 x 1-bed flats with associated car parking and landscaping.	6	5	0.16	Off-site financial contribution - £20,000	Not started	Under construction
171742	22-24 Cross Street	RG1 1SN	01/03/2018	Change of use to residential (C3) on first, second and third floors to	6	6	0.01	N/A - conversion of building (post	Not started	Not started

				create 6 x one bedroom flats with alterations to fenestration and gable roof alteration to existing rear four storey projection				July 2016)		
				TOTALS FOR SITES OF 5-9 DWELLINGS	147	142	1.72	Financial contributions of £702,000		

APPENDIX 3: DETAILS OF SMALL SITE SCENARIO A VIABILITY APPRAISAL

A1. Each scenario was tested using a residual appraisal. The small site scenario A was based on development of a single residential unit. The extract of the appraisal summarising the appraisal is set out below which shows that after allowing for CIL the scheme residual value was £193,550:

Figure A1: Small site scenario A appraisal extract

Total Development Value		£680,000
Total Development Costs		£409,545
Residual Value		£270,455
Existing site value		£60,000
Scheme surplus/deficit		<u>£210,455</u>
Total GIA of Scheme	115	
Area of pre-existing development	-	
Net change in floor area	115	
Proposed CIL per Sq M	£ 147	
Adjusted Scheme Surplus Deficit		<u>£193,550</u>

A2. Within the development costs of £409,545 there is an allowance for developer's profit of 20% as shown in the summary costs extracted from the appraisal

Figure A2: Summary costs for small site scenario A

Total Build Costs		£ 230,000
Abnormal Costs		£ -
Professional costs	10.00%	£ 23,000
Contingency	3.00%	£ 6,900
Subtotal		£ 259,900
Finance Costs		£ 13,645
Developers profit	20.00%	£ 136,000
Total Overall Development Costs		<u>£ 409,545</u>

A3. As can be seen from Figure 9 there is an allowance of £60,000 for the costs of acquiring land. Therefore the residual value of £193,550 in this context

represents a development surplus after making all relevant allowances excepting an affordable housing contribution. Paragraph 6.9 of the Viability Testing was intended to confirm that the scale of this surplus would provide significant scope to provide for an affordable housing contribution in line with the draft of Policy H3 where a 10% provision would be required for sites delivering 1-4 dwellings and still leave a significant surplus.

- A4. The draft Local Plan does not set out a computation for the calculation of off-site payments. However on the basis that a 3 bed affordable rented unit was valued in the evidence base at £154,000 and its development costs amount to £215,678, the net cost of provision equates to £61,678 before allowing for the costs of land which taking the same plot value of £60,000 as above brings net total costs of provision to £121,678. Taking the 10% provision identified under Policy H3 the affordable housing contribution required from this scenario would be £12,167. On this basis there would be a sum of £181,383 remaining after making an in lieu payment which provides very significant headroom, and could potentially be available as either super profit or available to fund an enhanced payment for land.

