

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	19 January 2021
Title	Viability Protocol Supplementary Planning Document		
Report of	Director for Economic Growth and Regeneration		
Purpose of Report			
The purpose of this report is for Members to consider the draft Viability Protocol Supplementary Planning Document (draft SPD) and seek authorisation for the Service Manager – Planning and Housing Strategy to proceed with informal and statutory consultation.			
Key Decision (Y/N)	N	Date of Notice	Exempt (Y/N) N

Report Summary

The report outlines the purpose of the draft SPD. The draft SPD sets out overarching principles for how the council will approach development viability, where this is a consideration as part of the planning process. It provides guidance on the details that should be included in viability assessments, the council's approach to considering viability matters and sets out the information which will be expected when an applicant seeks to reduce affordable housing and contributions required by adopted planning policies.

The report also explains the consultation process and recommends that delegated powers be given to the Service Manager – Planning and Housing Strategy to proceed with informal and statutory consultation.

Following consultation and any necessary amendments to reflect the responses, the draft SPD will be reported back to Cabinet for authorisation to proceed with adoption.

Recommendations of Councillors

(1) It is recommended that Cabinet approve the draft SPD and delegate authority to the Service Manager – Planning and Housing Strategy to advance the draft SPD through informal and statutory defined consultation processes.

(2) The SPD will then be adopted unless the consultation results in any significant changes to the SPD which will be reported back to Cabinet for final endorsement.

Relationship to Policy Framework

The Corporate Plan 2018-2022 (July 2018) includes ambitions to improve access to quality housing. The Corporate priorities (updated January 2020) sets out a priority to develop housing to ensure people of all incomes are comfortable, warm and able to maintain their independence.

The Lancaster Local Plan includes policies which seek to ensure that the new housing developments include a proportion of affordable housing and provide the necessary infrastructure contributions.

The draft SPD will support the implementation of policies within the Local Plan.

Conclusion of Impact Assessment(s) where applicable

<p>Climate There are no climate change impacts arising from a commitment to progress the draft SPD through the informal and statutory consultation processes.</p>	<p>Wellbeing & Social Value There are no wellbeing or social value impacts arising from a commitment to progress the draft SPD through the informal and statutory consultation processes.</p>
<p>Digital There are no digital impacts arising from a commitment to progress the draft SPD through the informal and statutory consultation processes.</p>	<p>Health & Safety There are no Health & Safety, Equality and Diversity, Human Rights, Community Safety, HR implications arising from a commitment to progress the draft SPD through the informal and statutory consultation processes.</p>
<p>Equality There are no equality impacts arising from a commitment to progress the draft SPD through the informal and statutory consultation processes.</p>	<p>Community Safety There are no community safety impacts arising from a commitment to progress the draft SPD through the informal and statutory consultation processes.</p>

The impacts of the policies within the Local Plan have been assessed during the statutory Local Plan process. As the draft SPD provides guidance upon the implementation of policies within the Local Plan, it will not itself have an impact on these matters.

Details of Consultation

The draft SPD has been reported to the Local Plan Review Group.

The draft SPD will be subject to informal and formal statutory consultation processes with stakeholders, each running for a 6-week period.

Legal Implications

The statutory consultation will be carried out in accordance with the process set out in the Town and Country Planning (Local Planning) (England) Regulations 2012, Regulation 12 Public Participation. Once adopted the SPD will form a material consideration in the determination of planning applications.

Financial Implications

The draft SPD is intended to provide guidance on the implementation of Local Plan policy. There are no additional financial implications arising from its progression through the statutory consultation process.

Other Resource or Risk Implications

The main resource implication will be the staff required to support the progression of draft SPD through informal and statutory consultation, any necessary amendment arising from consultation responses, and then adoption and subsequent review.

Section 151 Officer's Comments

The s151 Officer has been consulted and has no comments to make

Monitoring Officer's Comments	
The Monitoring Officer has been consulted and has no comments to make	
Contact Officer	Fiona Clark
Tel	01524 582222
Email	fjclark@lancaster.gov.uk
Links to Background Papers	
The draft Viability Protocol SPD is attached to this report.	

1.0 Introduction

- 1.1 Policies DM3 and DM6 of the Development Management Development Plan Document (DMDPD) and policy AS03 of the Arnsdale & Silverdale AONB Development Plan Document (Arnsdale & Silverdale AONB DPD) set out the proportion of affordable housing required on new sites. A series of policies in the Strategic Planning and Land Allocations Document and the DMDPD require the provision of infrastructure necessary to support proposed schemes. Infrastructure can be delivered directly by a developer or in some cases financial contributions are required for bodies such as Lancaster City Council or Lancashire County Council to deliver the infrastructure, for example off-site open space/recreation improvements or education provision.
- 1.2 The National Planning Policy Framework requires that the affordable housing provision and other contributions required by planning policies do not result in development becoming unviable. Where an applicant is of the opinion that the policy requirements adversely affect viability, they may request a reduction. The onus is on the applicant to provide evidence to support the case. The draft Viability Protocol SPD sets out overarching principles for how the council will approach development viability. It provides guidance on the details that should be included in viability assessments and the councils approach to considering viability matters.
- 1.3 The aim of the draft SPD is to provide guidance for prospective applicants and as a tool in decision making. To be afforded weight the draft SPD must follow statutory consultation procedures with the responses being considered and amendments made where necessary.

2.0 The Content of the Draft SPD

- 2.1 The draft SPD explains how viability matters will be considered as part of the planning application process and the information required to be submitted when an applicant seeks a reduction in affordable housing provision or contributions.
- 2.2 Section 2: Viability Assessment sets out when viability assessments are required, how they will be treated to ensure transparency in decision making and the process the Council will take when securing independent review of an applicant's viability assessment.

- 2.3 Section 3: Viability Inputs, explains the elements that should be included within a viability assessment. It outlines the evidence required to support the financial information included in a viability assessment and provides advice on expectations when determining development values, land value, development costs, affordable housing and profit.
- 2.4 Section 4: Revising Affordable Housing Provision and Contributions sets out the ways in which the Council will consider flexible arrangements where a reduction in affordable housing provision and/or contributions is justified.
- 2.5 Section 5: Viability Assessment Requirements sets out the information required to be included in a viability assessment.

3.0 Consultation

- 3.1 The formal process for preparing and adopting SPDs is set out in the Town and Country Planning (Local Planning) (England) Regulations 2012. The National Planning Policy Framework (NPPF), as updated in February 2019 defines SPDs as:

"...documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan."

The NPPF also states that SPDs should be used where they can help applicants make successful applications or aid infrastructure delivery and should not be used to add unnecessarily to the financial burdens on development.

- 2.2 SPDs relate to specific sites or specific planning issues. They are not subject to Independent Examination and do not have Development Plan status. However, SPDs are given due consideration within the decision-making process and must relate to a specific Development Plan policy contained within a DPD.
- 2.3 There is a three-stage process for the preparation of Supplementary Planning Documents, this includes:
- Evidence gathering
 - The preparation and consultation of a draft SPD
 - The Adoption of the SPD
- 2.4 The evidence in respect of the policies in the Local Plan was gathered in the lead up to the drafting of policies.
- 2.5 Early engagement in the preparation of SPDs is encouraged. A stage of informal consultation will allow stakeholders to comment on the content and where necessary provide evidence which may result in amendments to the draft SPD.

2.6 In order to progress as an SPD, the Council must undertake a statutorily defined consultation process set out in the Town and Country Planning (Local Planning) (England) Regulations 2012, Regulation 12 Public Participation.

2.7 The consultation responses must then be considered, and any necessary amendments made to the SDP. The final SPD and a Consultation Statement will then be reported the Cabinet with a request that the SPD is adopted.

4.0 Options and Options Analysis (including risk assessment)

<p>Option 1: Progress the draft SPD through informal and statutorily defined consultation process.</p>
<p>Advantages: The consultation process will provide engagement with stakeholders and allow them to influence the content of the draft SPD. Consultation and appropriate consideration of the responses will ensure that the SPD can be afforded weight when determining planning applications.</p>
<p>Disadvantages: No disadvantages.</p>
<p>Risks: No risks.</p>
<p>Option 2: Do not progress the draft SPD through informal and statutorily defined consultation process.</p>
<p>Advantages: No advantages.</p>
<p>Disadvantages: Additional guidance about the criteria within planning policies will not be available for prospective applicants or as a decision making tool.</p>
<p>Risks: Processing the draft SPD without the necessary consultation will reduce any weight which could be attached to it in the decision making process.</p>

4.0 Officer Preferred Option (and comments)

4.1 The officer preferred option is Option 1 - Progress the draft SPD through informal and statutorily defined consultation process to ensure that if adopted it can be given weight in decision making.