Development Viability
Supplementary Planning Document (SPD)
Consultation Report

March 2016
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Introduction

1.1 What is the Development Viability Supplementary Planning Document (SPD)?

1.1.1 National Planning Policy Framework (NPPF) paragraph 173 requires that local plans and planning decisions consider the impact of planning policies (including planning obligations) on the viability of development. The Development Viability SPD sets out our requirements for viability appraisals to be made public and the process for assessing these appraisals. It will ensure the assessment of the viability of planning applications is efficient, consistent and transparent. The guidance supports our Development Plan by providing further detail on how we will implement our planning policies where viability is an issue.

1.2 What is this consultation report?

1.2.1 This report explains the consultation that has been undertaken as part of the preparation of the SPD and how comments that individuals and organisations have made have been taken into account and how they have influenced the final SPD.

1.2.2 This report sets out how we have met the statutory and our local requirements for consultation on supplementary planning documents.

1.2.3 The national requirements for consultation are set out in The Town and Country Planning (Local Planning) (England) Regulations 2012.

1.2.4 Our local requirements are set out in our Statement of Community Involvement (SCI) (2008) which sets out how the council will consult on our planning policy documents and also on planning applications. The SCI refers to a number of legal and regulatory requirements, both in terms of methods of consultation and also particular bodies that we must engage with. When the SCI was produced it was done so with regard to the Town and Country Planning (Local Development) (England) Regulations 2004 and the Town and Country Planning (Local Development) (England) (Amendment) Regulations 2008. In April 2012, both sets of regulations were replaced by the Town and Country Planning (Local Planning) (England) Regulations 2012. We have subsequently ensured that consultation on the SPD meets the requirements of the SCI and the updated regulations. More information is set out within section 4 of this report.

1.3 How to find your way around this document?

1.3.1 This consultation report is structured in the following way:

- Section 1: Introduction to the draft Development Viability SPD and this consultation report.
- Section 2: The consultation we carried out on the draft Development Viability SPD.
- Section 3: How and why we monitor our consultation.
- Appendices: We set out copies of our press notices, mail out letters and emails, and the full representations and officer comments on the draft SPD.

1.4 Where to get more information

1.4.1 The Development Viability SPD and all the documents that support the SPD, including the SEA screening assessment and statement of reasons, the habitats regulations assessments and the equalities analysis can all be viewed at our website:

http://www.southwark.gov.uk/downloads/download/4377/draft_development_viability_spd

1.4.2 Copies are also available by contacting the planning policy team at:
Email: planningpolicy@:southwark.gov.uk, telephone 020 7525 0146 or by writing to us at Planning policy, Chief Executive’s Department, Southwark Council, FREEPOST SE1919/14, London SE1P 5LX

1.5 What happens next?

1.5.1 The SPD is being taken to Cabinet for adoption on 15 March 2016. Once adopted, the SPD will be monitored through the Authority’s Monitoring Report (AMR). As mentioned in the SPD, we are in the process of preparing the New Southwark Plan. This will look at providing new and updated policies as well as proposal site designations on the adopted policies map. The New Southwark Plan will replace the Core Strategy (2011) and the saved Southwark Plan (2007) and is likely to provide updated policies relevant to the Development Viability SPD. For current information on the progress of the New Southwark Plan please see our webpage at:

www.southwark.gov.uk/planningpolicy
2. **Draft Development Viability SPD consultation**

2.1 **Who was consulted and how?**

2.1.1 We consulted a wide range of residents, developers, land owners and planning agents on the draft Development Viability SPD. We met the requirements of our Statement of Community Involvement (2008) (SCI). Our adopted SCI requirements already go above the requirements of The Town and Country Planning (Local Planning) (England) Regulations 2012 and so in meeting the SCI requirements we also met the requirements of the Regulations.

2.1.2 In addition the Localism Act 2011 requires co-operation between local authorities and a range of other bodies and organisations as an integral part of the preparation of planning policy and guidance. This is called the “Duty to co-operate”. The Town and Country Planning (Local Planning) (England) Regulations 2012 and the National Planning Policy Framework (2012) set out these prescribed bodies and further information on the need for local authorities to work with these bodies and also their neighbouring boroughs on strategic planning issues and cross boundary issues. Appendix A of this report sets out both the prescribed bodies and our neighbouring boroughs. All of these organisations were consulted as part of the SPD consultation.

2.1.3 The following tables on pages 7, 8 and 9 set out the consultation carried out and how we met and exceeded the requirements of our SCI. We set out both how we met the minimum SCI requirements, and the additional further consultation we carried out. In accordance with our SCI, the SPD was available for comment for a period of 12 weeks, from 24 November 2015 to 16 February 2016.
<table>
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<th>Method of Consultation</th>
<th>Consultee</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning policy documents on our website (by the formal six week period).</td>
<td>All</td>
<td>From 24 November 2015</td>
<td>The SPD and supporting documents were made available on our website from the start of consultation on 24 November 2015. The website was updated throughout the consultation period with details of consultation events. The supporting documents were also made available on the website before the start of the six weeks formal consultation.</td>
</tr>
<tr>
<td>Mail out to all the prescribed bodies on the planning policy mailing database (by the formal six week period).</td>
<td>All consultees defined as statutory consultees in the SCI and since defined as prescribed bodies through the Localism Act, and our neighbouring boroughs.</td>
<td>27 November 2015</td>
<td>Mail out was sent to everyone on the planning policy mailing list on 27 November 2015. The planning policy mailing list includes all the prescribed bodies and neighbouring boroughs, as set out in appendix A. A copy the letter is set out in appendix C.</td>
</tr>
<tr>
<td>Place a press notice in the local newspaper to advertise the start of the formal consultation period.</td>
<td>All</td>
<td>17 December 2015</td>
<td>A copy of the press notice is set out in appendix D.</td>
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### Table 2: Additional consultation

<table>
<thead>
<tr>
<th>Method of Consultation</th>
<th>Consultee</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email to all non-statutory consultees on the planning policy database.</td>
<td>All on planning policy consultee database</td>
<td>27 November 2015</td>
<td>An email was sent to all addresses on the planning policy mailing list on 27 November 2015. The planning policy mailing list includes all the prescribed bodies and neighbouring boroughs (as set out in appendix A), local stakeholders and groups (appendix B) as well as other stakeholders including developers, landowners and residents. A copy of the letter is set out in appendix A.</td>
</tr>
<tr>
<td>Invitation to attend public workshop was held at council offices at 160 Tooley Street. Advertised through the mailout and twitter.</td>
<td>All on planning consultee database</td>
<td>21 January 2016</td>
<td>Approximately ten people attended the public workshop. A copy of the invitation email is attached in appendix B.</td>
</tr>
<tr>
<td>Eight one-to-one workshops with stakeholders</td>
<td>Attendees of smaller workshops included developers, planning agents and business groups</td>
<td>25 January, 28 January and 1 February 2016</td>
<td>Discussions and comments are reflected in the formal representations and amendments made to the draft SPD.</td>
</tr>
<tr>
<td>Planning Committee</td>
<td>All who attend planning committee</td>
<td>2 February 2016</td>
<td>Planning Committee noted the SPD was out for consultation and provided no formal comments on the draft SPD.</td>
</tr>
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</table>
2.2 How many comments were received on the draft SPD?

2.2.1 Nineteen formal representations were received from various groups and individuals. Further detail on who commented is set out in section 4.3 below.

2.2.2 The full representations and the officer comments to these representations are set out in appendix E.

2.2.3 Officers also recorded comments during the public workshops and one-to-one sessions which helped inform the amendments to the draft SPD.

2.3 Summary of the responses on the draft SPD

2.3.1 A summary of the representations received and from whom is set out below.

Local councillors

2.3.2 Southwark Liberal Democrats requested that all applications be subject to viability assessments on the basis that (with regard to affordable housing) the council’s policy is for a minimum of 35% affordable. Therefore, for schemes which propose this amount of affordable housing it should be explored as to whether more can be provided through a viability assessment. The representation also requested that viability issues be explored for all issues of major non-policy compliance, for example in relation to employment space provision or sustainability standards.

2.3.3 Other key points from this representation include:

   Section 1 (Forward, introduction and general comments):

   2.3.4 N/A

   Section 2 (“Does your development require a viability appraisal?”):

   2.3.5 Request that consideration of off-site housing be removed.

   Section 3 (“Viability appraisal validation requirements”)

   2.3.6 That draft viability assessments should be mandatory at pre-application stage should viability issues anticipated in a scheme

   Section 4 (“Transparency and probity”)

   2.3.7 N/A

   Section 5 (“Viability appraisal methodology”)

   2.3.8 N/A
Section 6 (“Viability appraisal information inputs”)

2.3.9 N/A

Section 7 (“Viability review mechanism”)

2.3.10 N/A

Statutory consultees and other public bodies

2.3.11 Representations and responses were received from the Environment Agency. Other important public bodies which submitted responses to the draft SPD were:

- Greater London Authority
- Sport England

Key points from the representations received from these parties included:

Section 1 (Forward, introduction and general comments):

2.3.12 General support for the intentions, such as adding clarity, consistency and transparency to the council’s approach to viability

2.3.13 Concerns that the SPD set new policy rather than provide guidance on adopted policy

2.3.14 Concerns that the SPD is too prescriptive in its requirements and should be more flexible

2.3.15 Concerns that the SPD needs to allow for the evolution of the wider policy context (such as the impact of the proposals within the Planning and Housing Bill on the SPD)

Section 2 (“Does your development require a viability appraisal?”)

2.3.16 Concern that Southwark’s affordable housing is not in conformity with the London Plan.

Section 3 (“Viability appraisal validation requirements”)

2.3.17 N/A

Section 4 (“Transparency and probity”)

2.3.18 N/A

Section 5 (“Viability appraisal methodology”)
2.3.19 Request that the SPD provide guidance on the approach to the assessment of viability for covenanted Private Rented Sector schemes in recognition of their distinct economics.

**Section 6** (“Viability appraisal information inputs”)

2.3.20 N/A

**Section 7** (“Viability review mechanism”)

2.3.21 N/A

**Local residents, individuals and groups**

2.3.22 Four local residents and individuals attended the public workshop held at council offices as part of the consultation. Comments were received from several local groups, namely the Elephant Amenity Network and the Future Steering Board.

Key points from the representations received from these parties included:

**Section 1** (Forward, introduction and general comments):

2.3.23 General support for the SPD intensions, such as adding clarity, consistency and transparency to the council’s approach to viability

2.3.24 Concern that the timing of the publication of the full viability appraisal one week prior to planning committee is too late to enable the public to fully engage with it. Further, depending on time of publication, the option to be able to “track” the revisions would be welcomed.

**Section 2** (“Does your development require a viability appraisal?”):

2.3.25 Support for the requirement for the exploration of a policy compliant scheme by submitting an alternative full viability assessment reflecting the financial impacts of policy compliance

2.3.26 General agreement that off-site provision, in lieu payments and affordable rent do not constitute a policy compliant affordable housing offer. Suggested that the policy compliant unit mix also be referenced as well as overall amount affordable housing.

2.3.27 Sequential test for off-site housing and “tenure” blind strongly supported and should be reinforced further

**Section 3** (“Viability appraisal validation requirements”)

2.3.28 Requested that the executive summary not be regarded as an alternative to the full viability assessment.
Section 4 (“Transparency and probity”)

2.3.29 Support expressed for increased transparency.

2.3.30 Request that the fully working and testable model be editable by the public to explore the impact of different inputs of the full viability assessment.

Section 5 (“Viability appraisal methodology”)

2.3.31 Concern was raised that allowing for an incentive uplift in the benchmark land value will inflate land costs

2.3.32 Concern that using site market comparables, particularly in relation to previous, non-policy compliant schemes/sites will result in less accurate figures in the full viability assessments

Section 6 (“Viability appraisal information inputs”)

2.3.33 Questioned the default assumed 20% profit levels of developers and should be lower

Section 7 (“Viability review mechanism”)

2.3.34 General support for the proposed requirement for a review mechanism but requested that it be strengthened (for example by more reviews than proposed in the SPD)

Developers, planning agents and other interested parties

2.3.35 Due to the nature of the topic of the Development Viability SPD, the majority of responses received as part of the consultation were from developers, land owners and planning agents, and other interested parties (i.e. the London employer’s association “London First”).

Representations were received from (client (agent)):

- Black Pearl Ltd. (DS2)
- Elephant and Castle Properties Co. (DS2 & Delancey)
- British Land (Quod)
- TfL Property
- Gerald Eve
- Rolfe Judd
- Private client (Deloitte)
- London First
- Lendlease
- Aviva Investors (Savills)
- BPS
2.3.36 Key points from the representations received from these parties included:

Section 1 (Forward, introduction and general comments):

2.3.37 General support for the intentions, such as adding clarity, consistency and transparency to the council’s approach to viability

2.3.38 Concerns that the SPD set new policy rather than expands on existing policy as a piece of guidance

2.3.39 Concerns that the SPD is too prescriptive in its requirements and should be more flexible

2.3.40 Concerns that the SPD needs to be allow for the evolution of the wider policy context (such as the impact of the proposals within the Planning and Housing Bill on the SPD)

2.3.41 Concerns that the requirements of the SPD will inhibit housing delivery

2.3.42 Concern that the SPD is not in conformity with National Planning Practice Guidance

Section 2 (“Does your development require a viability appraisal?”):

2.3.43 Request that all schemes be subject to a full viability appraisal regardless of initial proposed policy compliance

2.3.44 Concerns that the SPD needs to allow for the evolution of the wider policy context (such as the impact of the proposals within the Planning and Housing Bill on the SPD) as well as intermediate housing thresholds

2.3.45 Suggestion that definition of “policy compliant” be amended to reflect that schemes which deliver less that 35% of affordable housing can still be regarded as policy compliant

Section 3 (“Viability appraisal validation requirements”)

2.3.46 Concern that the requirement for a full viability appraisal at validation stage is too soon in the application process to be useful due to the evolving nature of schemes as they move through the application process and will cause delays

2.3.47 Concern regarding the impact of the requirement for the exploration of a policy compliant scheme by submitting an alternative full viability assessment reflecting the financial impacts of policy compliance, on cost, delays, impact on planning decisions and the overall purpose of the requirement
2.3.48 General support for the requirement for an executive summary, pending clarification on issues of transparency and commercial confidentiality. However that it should come with a “health warning” regarding potential for future amendments

2.3.49 That clarification be established on the council’s approach to the appointment and payment and timing of outputs of financial viability assessments assessors

2.3.50 Request that the “declaration of viability” requirement for policy compliant schemes not be in conflict with policy and guidance regarding wider national policy and guidance (e.g. NPPF para 50 and S106 guidance).

2.3.51 Request for clarification on the council’s approach to hybrid planning applications (i.e. applications that seek full planning permission and outline planning permission for distinct elements of a scheme)

2.3.52 Some support for the requirement of viability appraisals to be submitted at validation stage to aid discussions

2.3.53 Request that all schemes be subject to a full viability appraisal regardless of initial proposed policy compliance

**Section 4 ("Transparency and probity")**

2.3.54 General support for greater transparency for viability assessments, subject to clarification on the extent and nature of the transparency of commercially sensitive information and timing of publication

2.3.55 Concerns expressed regarding the executive summaries due to uncertainties on the format, presentation and the inclusion of potentially commercially sensitive information

2.3.56 Concern that the “declaration of viability” for policy compliant schemes will not provide a safeguard against failure to implement planning permission when the scheme is reliant on future market conditions improving to become viable.

2.3.57 Concern among the uncertainties regarding the relationship of the declaration of viability to S106b applications (which amend, and typically reduce, a previously-consented level of affordable housing in an existing permitted scheme)

2.3.58 Request that all pre-app discussions remain confidential

**Section 5 ("Viability appraisal methodology")**

2.3.59 Concerns regarding how the proposed viability appraisal methodology conflicts with established valuation practice
2.3.60 Concerns regarding many parts of the proposed methodology for viability appraisals, including the definitions and use of:

- Land as a fixed cost
- Alternative use values, benchmark land values, residual land values, market values
- Use of market comparables
- Relationship of the proposed methodology to sites with extant planning permission
- Approach in relation to cleared sites
- Relationship to the RICS “Red Book”

Section 6 (“Viability appraisal information inputs”)

2.3.61 Concern that the level of inputs/ information required, particularly for outline planning permission

2.3.62 Concern that the proposed inputs will have a “personalisation” effect for viability assessments causing delays and confidentiality conflicts.

2.3.63 Some proposed inputs were questioned, including “procurement process,” “value engineering,” and that the amount of inputs and their detail should correspond to the stage a scheme or application has reach (for example, for different parts of a phased scheme)

Section 7 (“Viability review mechanism”)

2.3.64 Some supported the requirement for review mechanisms and some objected. Many comments felt it should be used on a scheme-by-scheme basis and offered different suggestions as to when reviews would be appropriate for different types of applications. Some felt that the requirement will have a negative effect on scheme delivery.

2.3.65 Questions regarding the trigger point for review, including suggestions to use the time elapsed since permission rather than implementation as trigger point, and use of S106 clauses.

2.3.66 That the review should allow for a reduction in the previously consented planning obligations should the viability have lessened between the initial application/consent stage and review stage

2.3.67 Support for the cap on affordable housing shortfall payments to policy compliant levels, and request to allow for payment in lieu in place of on or off site affordable housing contributions
2.3.68 Concern that the 70/30 split in surplus profit identified at review stage will not provide a sufficient incentive for developers to optimise scheme performance. Recommended the split should be revised to 50/50.

2.4 Summary of the changes made to the SPD

2.4.1 A number of changes have been made to the final Development Viability SPD to take into account comments raised through consultation and to simplify the document. The SPD has been reviewed and updated to ensure plain English is used throughout.

2.4.2 The changes and the content of the SPD are summarised below.

The guidance

Section 1 Introduction

2.4.3 The introduction of the SPD has been updated and clarifies our requirements for viability appraisals to be made public and the process for assessing viability appraisals. This will ensure the assessment of the viability of planning applications is efficient, consistent and transparent. This SPD does not propose new planning policy.

2.4.4 We have removed the guidance concerning declarations of viability as we have removed the option for a declaration. All development proposals that trigger an affordable housing requirement now require a viability assessment. We have simplified the text to ensure that this is clearer.

2.4.5 The updated SPD has clarified that we expect all development proposals that trigger a planning policy requirement to provide affordable housing to provide the homes at social rent and not affordable rent.

2.4.6 Furthermore, the Cabinet Version has avoided presenting adopted and emerging planning policy. In order to ensure the SPD is flexible to changing planning policy requirements this section has been removed from the Cabinet Version.

Section 2 Policy context

2.4.7 Some representations expressed concerns that aspects of the SPD may be inconsistent with national and regional planning policy and guidance. Particular concerns related to valuing benchmark land values and ensuring landowners received a competitive return. The section has been amended to clearly set out how the SPD guidance is consistent about the context for sustainable development and where various policy statements originated, including national and regional planning policy and guidance and ensures that the guidance is consistent with our adopted development plan.
2.4.8 The affordable housing policy section included in the draft SPD has been removed as this was repeating policy and guidance in from other planning policy documents.

2.4.9 The GLA raised concerns regarding our approach to affordable rent in the draft SPD. Our adopted affordable housing policies are contained within the saved policies of the Southwark Plan (2007) and the Core Strategy (2011). The policies require a minimum of 35% affordable housing with 70% of the 35% to be let at social rent. It is not appropriate or lawful for an SPD to revise adopted policies in respect of the tenure of affordable housing.

Section 3 When do we require a viability appraisal?

2.4.10 Updates have been made to Section 3 to set out when we require a viability appraisal. In response to concerns regarding the legal robustness of the signed declaration confirming a policy compliant affordable housing offer was viable, the SPD now states that a financial viability appraisal should be provided for a planning application to be validated where there is a planning policy requirement to provide affordable housing or where the proposed development departs from other planning policy requirements due to viability. We have removed text referring to schemes that are not policy compliant as this is no longer an option. We have also removed two the requirement for two viability appraisals.

2.4.11 The SPD reiterates that viability appraisals will be published prior to determination, including revised appraisals for schemes that go through revisions as part of the application process.

2.4.12 To assist the comprehension of appraisals, the SPD reiterates that a financial viability appraisal executive summary must be submitted alongside the financial viability appraisal. The executive summary will present the key conclusions that can be drawn from the financial viability appraisal.

2.4.13 Table 1 has been added to clarify the key assumptions required in a financial viability appraisal executive summary. This is not a new requirement, but clarifies our existing requirements.

Section 4 Transparency

2.4.14 Section 4 sets out guidance on transparency. The SPD has been updated to state that all financial viability appraisals will be subject to full transparency. This means that full financial viability appraisals will be published alongside other supporting evidence for public scrutiny prior to determination of the planning application. As such, the unviable proposal section in the draft SPD has been removed as it is no longer an option. The executive summary of the appraisal will be published at the validation stage of a planning application.

2.4.15 There is a strong public interest in financial viability appraisals being made available for scrutiny when relied upon to secure planning permission,
However, some representations had concerns regarding commercial sensitivity if viability appraisals were published prior to determination. We consider that transparency is extremely important and the public benefit of publishing all aspects of a viability appraisal outweighs any potential commercial harm to the applicant. However, applicants are advised to identify elements of a viability appraisal which could undermine their commercial position with the council through the pre-application process. The council will advise the applicant whether the potentially sensitive information is required by the council in order to make a robust assessment of the viability of the proposed scheme.

Section 5 Viability appraisal methodology

2.4.16 Section 5 of the SPD clearly sets out the methodology which viability appraisals must follow with clear guidance on appraisal inputs and assumptions. This is important because it ensures consistency in the process and provides clarity and certainty to applicants.

2.4.17 Some representations were concerned that the methodology in the draft SPD was inconsistent with regional and national planning policy and guidance. This was due to the assessment of land value and the impact on ensuring landowners are receive a competitive return to incentivise the release of their land for development. The draft SPD stated that the current use value (CUV) of a site plus a premium to the landowner represented the appropriate benchmark land value (BLV).

2.4.18 The final SPD has been updated to state that the market value (MV) of the land may constitute an appropriate benchmark land value, provided full account has been taken of planning policy requirements. Where the planning policy requirements need to be flexibly applied to provide a landowner incentive, the percentage uplift above the current use value (CUV) must be clearly justified. The uplift will generally be 20% above the current use value (CUV) where a higher uplift can only be achieved at the expense of meeting planning policy requirements.

2.4.19 Some representations stated that the draft SPDs rejection of alternative use values (AUVs) as appropriate benchmark land values (BLVs) was inconsistent with the PPG which states that alternative use values (AUVs) may constitute a reasonable benchmark land value (BLV). The final SPD has been revised to acknowledge that alternative use values (AUVs) may, in limited circumstances, constitute a reasonable benchmark land values (BLV). The SPD clearly sets out the circumstances where the alternative use value may constitute the benchmark land value in Southwark.

Section 6 Viability appraisal inputs

2.4.20 Section 6 has been updated and simplified in the final SPD. This is because some representations considered the level of detail specified in the SPD too prescriptive and that it did not account for the scale and the nature of the
proposed development. For example, multi-phased may not have the same level of detail as single-phased development. The SPD has been amended to acknowledge that the level of detail required will relate to that which is reasonably available to the applicant. As such Appendix 2 Schedule of Accommodation template in the draft SPD has been removed from the final SPD.

2.4.21 Further comments noted that some of the information requirements were peculiar to a specific applicant. This could potentially personalise the planning permission to a specific applicant, rather than grant planning permission for the principle of development. In response the information inputs requirements have been revised to ensure that no information peculiar to a specific applicant is required. This means that the applicant will need to demonstrate the viability of a proposal in normal and prevailing market circumstances.

2.4.22 Table 6 in the draft SPD has been updated and moved to Appendix 2 ‘Viability appraisal inputs’ in the final SPD.

Section 7 Viability review mechanisms

2.4.23 Section 7 has been updated, as some representations stated that the requirement to conduct a viability review following the substantial implementation of a scheme would be an inappropriate trigger point for multi-phased schemes. The final SPD has been revised to state that the timing of viability reviews for outline planning permissions and phased schemes will be agreed between the applicant and the council to fall at an appropriate time, or times, throughout the build of the development.

2.4.24 Some concern was also raised that the draft SPD did not include a provision to require a viability review in the event that affordable housing or other planning obligation requirements are negotiated down through negotiation or by statutory provisions following the grant of planning permission. The final SPD has been amended to ensure that any revisions to agreed planning obligations will still be subject to a viability review at the appropriate time.

2.4.25 A number of representations considered the proposed split in any surplus profits identified through the viability review of 70% to the council and 30% to the developer as inequitable as it would fail to provide a sufficient incentive to the developer to identify opportunities for cost savings. In response the final SPD has been revised to ensure that any surplus profits are shared equally between the council and the developer.
Glossary

2.4.26 We have updated the glossary for clarity and consistency.

Appendices

Draft version of the Development Viability SPD

2.4.27 Appendix 1 ‘Declaration relating to viability’ of the draft SPD has been removed from the final SPD as a result of the revised guidance proposed in the final SPD.

2.4.28 Appendix 2 ‘Schedule of proposed accommodation template’ of the draft SPD has been removed in response to representations that argued the template was overly prescriptive and inflexible due to the wide variety of development schemes that may come forward.

Final version of the Development Viability SPD

2.4.29 Two new appendices have been added to the final SPD. Appendix 1 ‘Example viability assessment scenarios’ provides non-technical examples of how the viability of a theoretical scheme of 50 homes would be assessed. It is written in plain English using a step-by-step approach to guide readers on how viability is assessed. Table 6 of the draft SPD has been updated and moved to Appendix 2 ‘Viability appraisal inputs’ in the final SPD.

Further changes

2.4.30 We have presented the guidance summaries that are located in each section of the SPD (DVG 1 etc.) at the start of the SPD to ensure quick and easy access to the relevant guidance.
3. Monitoring our consultation

3.1 Why we monitor our consultation?

3.1.1 Our statement of community involvement indicates that the success of consultation can in part be measured by the numbers and diversity of consultees and responders. This is particularly important for Southwark which is very varied and includes many traditionally hard to reach groups. We want to ensure the final SPD meets the needs of those living, working and visiting the area.

3.1.2 We monitor our consultation at every stage of policy preparation so that we can see where we need to engage more with certain groups at the next stage of consultation.

3.2 How we monitor our consultation

3.2.1 After every stage of consultation we look at the different people and groups that have commented on the planning document and look back over the events and consultation activities we carried out to see whether we should have targeted more or different groups. We feed this into our planning for future consultation on our planning policy documents.

3.2.2 We want to try and encourage people from all groups and areas to get involved in the preparation of our planning documents. This includes people across all nine protected characteristics groups including different ethnic, age and religious groups. Further information on the potential impact of the SPD on each of the protected characteristic groups is also set out in the SPD equalities analysis.

3.2.3 Effective consultation also includes involving people from different organisations to include local residents, local voluntary and community sector groups, local businesses and traders, prescribed bodies such as the English Heritage and developers and landowners.

3.2.4 Consultation on the SPD has sought to engage with different groups and individuals that may be affected by the SPD. Southwark is a very mixed borough, with many businesses in the area as well as residents. Our consultation has subsequently included workshops open to residents and groups, contacting interested prescribed bodies including the GLA and engaging with developers, landowners and their representatives in a series of workshops. We have sought to make the SPD as clear as possible so that everyone could comment on it. This has being important in ensuring that we engaged effectively and thoroughly on the SPD.