SUPPLEMENTARY PLANNING DOCUMENT

Affordable Housing Contributions arising from Purpose Built Student Accommodation



Report of Consultation

May 2021



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1.0 Name of Documents

1.1 Affordable Housing Contributions arising from Purpose Built Student Accommodation Supplementary Planning Document (SPD).

2.0 Purpose of the SPD

- 2.1 The SPD provides guidance on the requirements for the provision of affordable housing contributions from Purpose Built Student Accommodation. In particular, it supplements Policy 8 of the Nottingham City Aligned Core Strategy ACS (2014) (Part 1 Local Plan) and Policy HO3 of the Land and Planning Policies Document LAPP (2020) (Part 2 Local Plan).
- 2.2 SPDs are 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. SPDs are capable of being a material consideration in planning decisions but are not part of the statutory development plan.

3.0 Persons/bodies/groups consulted

3.1 Consultation has been undertaken with statutory bodies, local businesses, citizens, agents and developers, wider interest groups and stakeholders, local councillors, and Nottingham City Council officers. Emails/letters providing details of the consultation were sent to all contacts on the Local Plan database of consultees. A targeted consultation also captured specific interest groups relating to Purpose Build Student Accommodation.

4.0 Ways in which consultation was undertaken

- 4.1 In line with the City Council's <u>Interim Statement of Community Involvement (SCI)</u>, 2020 consultation was undertaken online only. The document was available to view and download from the City Council's web site alongside a downloadable response form. Emails and letters were sent to interested parties as set out in section 3. The consultation was also advertised on the Engage Nottingham Hub webpage and a press release was sent out and picked up by local media.
- 4.2 Comments on the draft SPD were invited for a 10 week period from 27 May until 5 August 2020 to give additional time for consideration and response by interested parties during the Covid pandemic.

5.0 Representations

5.1 A total of 79 representation comments were received from 9 interested parties (made up of one local residents group, one housing organisation, the University of Nottingham and 6 developers). All comments have been considered and a number of changes to the SPD are proposed as a result. The table in Appendix 1 sets out a

summary of the comments made, the City Council's response to them, together with any recommended changes to the SPD.

6.0 Sustainability Appraisal

- Undertaking a Sustainability Appraisal (SA) is a statutory requirement/ process, which must be undertaken for any new planning document in accordance with the Planning and Compulsory Purchase Act (2004). The purpose of an SA is to assess the economic, social and environmental impacts of projects, strategies or plans, so that the preferred option promotes, rather than inhibits sustainable development. In addition to an SA, European directive 2001/42/EC (commonly referred to as Strategic Environmental Assessment or SEA), requires that Local Authorities undertake an "environmental assessment" of any plans and programmes they prepare that are likely to have a significant effect upon the environment.
- 6.2 The requirements of the SEA have been incorporated into the SA for the Local Plan Part 2 (2020). An SA was undertaken on the Local Plan Part 2, therefore a separate SA is not required for this document. The process has appraised social, environmental and economic effects. The SA was undertaken from the start of the LAPP process through its various preparation stages. In doing so, it has helped to ensure that the decisions made on policies and allocations have contributed to achieving sustainable development. Furthermore, the SA recommended some changes to ensure that the LAPP is as sustainable as possible. The SA has facilitated the evaluation of alternatives and also considered the cumulative, synergistic and secondary impacts of the LAPP policies and sites.
- 6.3 The SA also demonstrated that the Plan is an appropriate approach when considering reasonable alternatives and, where negative impacts have been found, suggested suitable mitigation measures to try and overcome them. Monitoring arrangements are also proposed to ensure that the impact of the policies can be properly evaluated.
- 6.4 Full details of the SA process, and methodology can be found at www.nottinghamcity.gov.uk/localplan.

7.0 Abbreviations

- 7.1 The following abbreviations are used throughout this document.
 - Affordable Housing Contributions (AHC)
 - Authority Monitoring Report (AMR)
 - Community Infrastructure Levy (CIL)
 - House in Multiple Occupation (HMO)
 - National Planning Policy Framework (NPPF)

- Nottingham Aligned Core Strategy (Part 1 Local Plan) (ACS)
- Nottingham Land and Planning Policies Document (Part 2 Local Plan) (LAPP)
- Purpose Built Student Accommodation –(PBSA)
- Section 106 Agreement (S106)
- Supplementary Planning Document (SPD)

Appendix 1: Summary of Comments Received, Officer Responses and Proposed Changes

Summary of comments	City Council response
BMOR Consulting (Nottingham) Ltd and Carlton Street T	
The objective underlying the SPD is recognised but there is concern that the outcome of adopting it will negatively impact on the delivery of PBSA and consequently on the Council's housing objectives, regeneration objectives and social cohesion objectives.	Comments noted – The SPD "sets the starting point for negotiations relating to the provision of affordable housing contributions from PBSA", and details that each case will be considered on its own merits. In addition, the SPD confirms that "Once adopted this SPD will be monitored annually and updated as appropriate. Any new government legislation/guidance will supplement the information contained in this SPD."
	As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that " all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions.
Any impediment to the delivery of new PBSA will have a catastrophic effect on the delivery of housing, regeneration and social cohesion objectives of the Council.	Comments noted – The SPD "sets the starting point for negotiations relating to the provision of affordable housing contributions from PBSA", and details that each case will be considered on its own merits. In addition, the SPD confirms that "Once adopted this SPD will be monitored annually and updated as appropriate. Any new government legislation/guidance will supplement the information contained in this SPD."
	It is considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions. Thus removing the

Summary of comments		
PBSA is not usually considered (in the terms of Town and Country Planning Use Classes Order) to be residential development (class C3 or C4) and is normally treated as a sui generis use (i.e. not falling within a specified use in the Use Classes Order). It has therefore not been subject to the normal policy requirement to provide affordable housing. Hitherto in Nottingham PBSA has not been expected to contribute to affordable housing needs, in fact as far as we are aware, no other Council in England and Wales has a policy requiring affordable housing to be provided by PBSA development in the manner proposed in the SPD.		

City Council response

likelihood of delivery of PBSA being impeded.

There is nothing in law to prevent the council having such a policy to secure affordable housing contributions from PBSA. The policy is established by the local plan which was found sound at the Local Plan examination. The policy does not relate to a specific use class but to all student dwellings. The SPD has been revised to provide a greater explanation of the justification for the policy, see section 4.The government is also clear that PBSA can help towards housing delivery requirements. In the NPPG (Paragraph: 034 Reference ID: 68-034-20190722) it details how councils can count student housing in the housing land supply.

With such a large proportion of new housing completed in the City being PBSA (between April 2011 (the base date of the Local Plan) and March 2020 some 9,282 new homes (net) were completed in Nottingham City, and of these 4,606 were student dwellings, equating to just under half of all new homes (49.6%),it is vital that this form of residential development contributes to meeting the City's affordable housing need, otherwise the planned level of affordable housing will not be met, and the City's affordable housing need will not be fulfilled. It is the Council's view therefore, that it is appropriate for affordable housing contributions to be sought from PBSA schemes specifically as the principle is established in the adopted Local Plan.

The requirements need to be applied uniformly across all sites including ones allocated in the Local Plan and windfall sites to ensure that sufficient AHC contributions can be raised to meet our wider affordable housing needs.

Having considered the implications of the approach now proposed in the SPD, there is great concern that this will have significant implications for the viability and delivery of new PBSA schemes. This is particularly critical in the current financial climate of uncertainty following COVID 19.

As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that "... all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently

Summary of comments	City Council response
	examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.
The additional cost of providing affordable housing in PBSA schemes will inevitably have a negative impact on the price that prospective PBSA developers can pay which in many cases will render them undevelopable for the foreseeable future.	As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that " all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.
Whilst it is noted that the SPD acknowledges the potential issues arising from viability and proposes that these will be addressed during the planning application process by independently assessed viability appraisals, such an approach will not address the problems of viability which will arise at the time of potential site acquisition. Put simply, by the time a planning application has to be submitted a prospective developer will have had to purchase the site making assumptions as to the level of affordable housing that the SPD will require. As explained above, an SPD compliant assessment would almost certainly mean that the site value would be below existing use/investment value. Consequently, the scheme would not come forward	The SPD is giving clarity to the requirement already established within the Local Plan (in particular Policy HO3 criteria 4) and the associated costs of AHC contributions from PBSA. The SPD is giving certainty to the level of contributions required and this in time, along with all developer contributions, should be taken into account in land acquisition.

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Summary of comments	City Council response
as the PBSA developer would be unlikely to be successful	
in bidding for the site. The approach viability proposed in	
the SPD therefore fails to recognise practical reality of that	
acquisition and will therefore in most cases be irrelevant.	
It will be apparent that there is great concern that adoption of the SPD will render most PBSA schemes as unviable in	As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential
the current market. It will have significant implications for	development allocated within Nottingham City. The study specifically states
the city's regeneration objectives as many PBSA schemes are located within the identified regeneration zones of the	that " all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant
Local Plan. It will mean therefore, that new PBSA	considers there to be issues of viability due to the level of contributions
developments will be significantly reduced if not completely rendered unviable and thus the current shortage of student	being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently
bed spaces within the city will persist. The knock on	examined before the scale and nature of any reduction is agreed." It is
implication of this will be that there will be continued	therefore considered that policies in the Local Plan and the SPD are flexible
pressure on the family housing stock around the university	enough to ensure that PBSA development is not prevented from coming
sites and the Council's social cohesion objectives of	forward by putting the onus on developers to demonstrate why a scheme
returning such property to family housing will be frustrated.	would not be viable without a reduction in contributions. This flexibility will
	ensure any uncertainty due to the Covid pandemic can be recognised.
	SPD "sets the starting point for negotiations relating to the provision of
	affordable housing contributions from PBSA", and details that each case will
	be considered on its own merits. In addition the SPD confirms that "Once
	adopted this SPD will be monitored annually and updated as appropriate.
	Any new government legislation/guidance will supplement the information
	contained in this SPD."
Recommend that the SPD is amended to clarify affordable	Policy HO3 applies to sites providing "student dwellings" in general and the
housing contributions to be required from student housing	SPD cannot override the Policy.
developments and not PBSA.	·
	With such a large proportion of new housing completed in the City being
	PBSA (between April 2011 (the base date of the Local Plan) and March
	2020 some 9,282 new homes (net) were completed in Nottingham City, and
	of these 4,606 were student dwellings, equating to just under half of all new
	homes (49.6%),it is vital that this form of residential development contributes
	to meeting the City's affordable housing need, otherwise the planned level of

Summary of comments	City Council response
	affordable housing will not be met, and the City's affordable housing need will not be fulfilled. It is the Council's view therefore, that it is appropriate for affordable housing contributions to be sought from PBSA schemes specifically as the principle is established in the adopted Local Plan.
	The requirements need to be applied uniformly across all sites including ones allocated in the Local Plan and windfall sites to ensure that sufficient AHC contributions can be raised to meet our wider affordable housing needs. It is the Council's view that it is therefore applicable for affordable housing contributions to be sought from PBSA schemes specifically as the principle
	is established in the adopted Local Plan and PBSA is clearly residential development.
Fusion Students (Lambert Smith Hampton - Alan Pearce	
The SPD doesn't comply with the National Planning Policy Framework and Planning Practice Guidance.	There is no statutory provision which precludes contributions towards affordable housing being required from PBSA schemes nor anything which prevents payment in lieu by way of commuted sum. Similarly, the NPPF and NPPG do not prevent affordable housing contributions being sought from student accommodation development. The exclusion for PBSA in NPPF 64 is for on-site affordable housing and not excluding PBSA from providing any affordable housing contributions. The policy was found to be sound at the Local Plan examination and the SPD simply deals with its implementation.
Do not think that affordable housing contributions [AHC] should be applied to student accommodation.	There is nothing in law to prevent the council having such a policy to secure affordable housing contributions from PBSA. The policy is established by the local plan which was found sound at the Local Plan examination. The policy does not relate to a specific use class but to all student dwellings. The SPD has been revised to provide a greater explanation of the justification for the policy, see section 4.
	The requirements need to be applied uniformly across all sites including ones allocated in the Local Plan and windfall sites to ensure that sufficient AHC contributions can be raised to meet our wider affordable housing needs.
Do not believe that the SPD complies with legislation	The revised SPD expands on the Council's reasoning as to how the adopted

Summary of comments	City Council response
(Community Infrastructure Levy Regulations).	Local Plan and the SPD comply with CIL regulations). In summary:
	 necessary to make the development acceptable in planning terms: necessity was addressed via the adopted Local Plan which specifically confirms that the Council will make a request for affordable housing contributions from PBSA. Therefore the SPD has been written to ensure that PBSA development contributes and complies with the Local Plan to meet the Council's wider affordable housing requirements. directly related to the development: PBSA forms part of the wider housing market and therefore must contribute to meeting the wider housing market's affordable housing needs. Student accommodation comprises a large part of the City's housing delivery and there are legal precedents and other Councils with similar sound planning policies to support our general approach. fairly and reasonably related in scale and kind to the development: The methodology set out in the SPD is consistent with affordable housing contributions that the Council seeks on normal housing development including Private Rented Schemes which have a similar model to PBSA and is flexible in its approach to allow site specific considerations to be taken into account.
Unsure whether the figures being used comply with the	The formula in the SPD follows the same approach for general residential
requirement to be assessed by an Inspector at examination.	through the existing AHC (Supplementary Planning Guidance (SPG) and therefore this is not a new formulaic approach. Policy HO3(4) confirms that the Council will seek AHC with details set out in an SPD. This may have not been directly 'challenged' during the Local Plan process but that does not detract in any way from the fact that it is a policy of the adopted development plan that was found to be sound by the Inspector.
Why NCC has not considered and using ALIC many and for	The approach is one of converting student bedspaces to a unit of affordable housing for the purposes of the commuted sum calculation. The long established formulaic approach to affordable housing remains unchanged, the SPD simply seeks to justify the 'input' for the existing formula to make it applicable to PBSA schemes.
Why NCC has not considered reducing AHC proposed for	With such a large proportion of new housing completed in the City being

Summary of comments	City Council response
developments in areas designated for PBSA developments.	PBSA (between April 2011 (the base date of the Local Plan) and March 2020 some 9,282 new homes (net) were completed in Nottingham City, and of these 4,606 were student dwellings, equating to just under half of all new homes (49.6%),it is vital that this form of residential development contributes to meeting the City's affordable housing need, otherwise the planned level of affordable housing will not be met, and the City's affordable housing need will not be fulfilled. It is the Council's view therefore, that it is appropriate for affordable housing contributions to be sought from PBSA schemes specifically as the principle is established in the adopted Local Plan. The requirements need to be applied uniformly across all sites including ones allocated in the Local Plan and windfall sites to ensure that sufficient AHC contributions can be raised to meet our wider affordable housing needs.
The proposed figures apply an unreasonable financial burden on PBSA developments.	Policy IN4: Developer Contributions from the Local Plan Part 2 does allow developers to set out a case regarding viability. All types of housing development are promoted by the Local Plan, but this does not mean that the City Council will not seek s106 contributions from these developments for affordable housing and other forms of contributions. PBSA is currently required to contribute towards a range of contributions including open space, employment and training and other contributions as needs basis. Affordable housing should not be treated any differently. The SPD sets out that if an applicant considers there to be issues of viability due to the level of contributions being sought which render a proposal undeliverable, they can submit a robust viability assessment which will be independently examined before the scale and nature of any reduction is agreed.
	As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that " all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently

Summary of comments	City Council response
Unsure why Nottingham City Council [NCC] have not	examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions. The annual requirement for Infrastructure Funding Statements (IFS) requires
offered to update within the Annual Monitoring Report, how any funds collected have been spent; to provide transparency.	all Councils to track contributions by the end of 2020 and so an update in the Authority Monitoring Report (AMR) is not currently required. A copy of the 2019-20 IFS is now available on the Council's web site.
Godwin Group (Clark Planning and Design Group - Sara	h Clarke)
SPD is poorly thought-out in terms of detailed justification and potential unintended consequences.	The policy is established by the local plan which was found sound at the Local Plan examination. The SPD sets out the mechanism for applying it in a manner which is consistent with the way the Council seek AH contributions from other sites. Policy IN4: Developer Contributions from the Local Plan Part 2 does allow developers to set out a case regarding viability. All types of housing development are promoted by the Local Plan, but this does not mean that the City Council will not seek s106 contributions from these developments for affordable housing and other forms of contributions. PBSA is currently required to contribute towards a range of contributions including open space, employment and training and other contributions as needs basis. Affordable housing should not be treated any differently. The SPD sets out that if an applicant considers there to be issues of viability due to the level of contributions being sought which render a proposal undeliverable, they can submit a robust viability assessment which will be independently examined before the scale and nature of any reduction is agreed.
PBSA supports housing availability in the city, particularly family housing, and should be actively encouraged, not burdened by significant financial contributions to continue meeting the needs for student accommodation and to ensure the balance of housing is maintained elsewhere. The delivery of PBSA to assist in maintaining family accommodation is a policy aspiration of the Local Plan which needs to be supported not disincentivised.	All types of housing development are promoted by the Local Plan, but this does not mean that the Council will not seek s106 contributions from these developments for affordable housing and other forms of contributions. PBSA is currently required to contribute towards a range of contributions, open space, transport, employment and training etc. Affordable housing should not be treated any differently. The policy is established by the local plan which was found sound at the

Summary of comments	City Council response
	Local Plan examination. The SPD sets out the mechanism for applying it in a manner which is consistent with the way the Council seek AH contributions from other sites. Policy IN4: Developer Contributions from the Local Plan Part 2 does allow developers to set out a case regarding viability. All types of housing development are promoted by the Local Plan, but this does not mean that the City Council will not seek s106 contributions from these developments for affordable housing and other forms of contributions. PBSA is currently required to contribute towards a range of contributions including open space, employment and training and other contributions as needs basis. Affordable housing should not be treated any differently. The SPD sets out that if an applicant considers there to be issues of viability due to the level of contributions being sought which render a proposal undeliverable, they can submit a robust viability assessment which will be independently examined before the scale and nature of any reduction is agreed.
	As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that " all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.
The Council's approach to requiring Affordable Housing	It is not considered the Council's approach is disproportionate. The
contributions from purpose-built student accommodation in	approach is one of converting student bedspaces to a unit of affordable
the same way as traditional residential development is	housing for the purposes of the commuted sum calculation. The long

disproportionate, inequitable and misunderstands the established formulaic approach to affordable housing remains unchanged,

Summary of comments

methodology or evidence of sensitivity testing in respect of the same.

City Council response

applicable to PBSA schemes.

The formula considers a notional "student household" size by dividing bedspaces in proposed schemes by 5. This is based on a combination of 2011 census data and the average household size of Houses in Multiple Occupation (HMO) registered on the Council's HMO database and is considered to be approximate average size of a student household in Nottingham. The revised SPD provides the reasoning why the Council considers the adopted Local Plan and the SPD complies with CIL regulations (see section 4.0).

Margins and build costs are different for PBSA compared to traditional residential development, as are funding increased speculative risk and additional costs are payable to a management company. Accordingly, the obligations for Affordable Housing from PBSA are, considered to be, disproportionately high.

processes. In addition, developers of PBSA take on

Asset value and asset class differ significantly between PBSA and open market residential development. Residential development is a liquid asset line, enabling payment of Affordable Housing contributions upon sale of the assets, whereas PBSA cannot be sold on an individual basis to generate the value required to pay the contributions sought. As a minimum, the total amount of Affordable Housing contributions sought from PBSA should be capped. Therefore, the number of units created will generate disproportionately more Affordable Housing provision than residential development. The policy requirement of 10% and 20% provision to align with residential development does not work and has not been justified. If the continuity of thresholds is considered appropriate however, the threshold of bed spaces must increase in the interests of fairness. Therefore, the number

The Plan-wide Viability Assessment that was carried out at the Local Plan preparation stage confirmed that "... all proposed student housing is viable and deliverable". However, if there are issues over viability the SPD makes it clear that the developer can argue these be submitted as part of a viability assessment which will be independently examined as part of the application process. PBSA is a similar model to Private Rental Schemes and the Council seeks AHC contribution from that type of development and sees no reason why PBSA should be treated differently.

PBSA is similar model as Private Rental Schemes and the Council asks for AHC contribution from that type of development. It is not considered that the formula in the SPD results in a disproportional amount compared to other forms of residential development.

The approach is one of converting student bedspaces to a unit of affordable housing for the purposes of the commuted sum calculation. The long established formulaic approach to affordable housing remains unchanged. the SPD simply sets out the 'input' for the existing formula to make it applicable to PBSA schemes.

The formula considers a notional "student household" size by dividing bedspaces in proposed schemes by 5. This is based on a combination of 2011 census data and the average household size of Houses in Multiple Occupation (HMO) registered on the Council's HMO database and is considered to be approximate average size of a student household in

Summary of comments	City Council response
of units created will generate disproportionately more	Nottingham. The 10% and 20% thresholds are in line with general AHC
Affordable Housing provision than residential development.	contributions from residential development.
Publication of the SPD now, simply placing a blanket	This version of the SPD solely deals with AHC contributions and all other
requirement of Affordable Housing provision from student	policies and requirements set out in the Local Plan will still apply. At the
accommodation is premature when future issues related to	point of a decision on the application, issues of viability will be taken into
PBSA development have not been considered, particularly	account. If there are issues over viability the SPD makes it clear that the
'demonstrating flexibility of schemes' and 'how PBSA	developer can argue these be submitted as part of a viability assessment
development can help achieve the Council's carbon neutral	, , , , , , , , , , , , , , , , , , ,
target by 2028 thought sustainable design', as identified at	
paragraph 2.3. These other issues affect viability and the	AHC contribution from that type of development and sees no reason why
appropriateness of the suggested thresholds and the	PBSA should be treated differently.
effectiveness of the SPD.	
The different percentage thresholds (10%) for 50-74 bed	The two tiered approach is designed to align with the affordable housing
spaces and (20%) for 75 plus bed spaces presents a	policy in the adopted Local Plan which follows government guidance in the
'negative incentive' whereby developers are likely to be	NPPF (para 64).
encouraged to provide 74 spaces, so that the lower fee is	
payable. Notwithstanding our view that two different	
thresholds should not apply and that the request for 20%	
provision is too high, this circumstance could be minimised	
by applying the lower percentage amount up to 74 spaces	
and applying the higher percentage only to the uplifted	
amount of spaces.	This machanism eviate in the City Councille current ALIC Cumplementers
On the basis that planning obligations should be directly	This mechanism exists in the City Council's current AHC Supplementary
related to a specific development, in accordance with	Planning Guidance note which has been adopted for a number of years and
national guidance, the use of commuted sums must be	l · · · · · · · · · · · · · · · · · · ·
more specific; not simply 'be made available to housing	provided in the most appropriate way depending on current circumstances.
associations / registered providers of social housing or used directly by the City Council or its subsidiary	The Council considers that all three tests within the CIL regulations are met
companies to implement objectives in relation to affordable	by the SPD as set out in detail in the revised document (see section 4.0).
housing provision'.	by the of b as set out in detail in the revised document (see section 4.0).
PBSA in the City Centre also represents the most	Comment noted.
sustainable location for this type of development. PBSA	
should be encouraged, particularly within the city centre,	
not disincentivised.	

Summary of comments	City Council response
Godwin Group supports that the total number of bed spaces be divided by at least 5 to create a 'dwelling unit', which is more aligned with dwelling houses.	Comment noted.
Welcome the opportunity to discuss concerns raised in more detail and to input proactively to future iterations of the SPD. This would enable a PBSA specific mechanism to be agreed, which more specifically relates to the asset class, its specific delivery and funding issues.	Comment noted.
Knights plc (Donal Peel) There is no specific reference in the Core Strategy or LAPP to the provision of affordable housing in respect of PBSA developments; nor does any of the above wording in	The overall approach to affordable housing is set out in the ACS. The LAPP including policy HO3 was found sound at the Local Plan examination.
the Local Plan give rise to any such inference.	With such a large proportion of new housing completed in the City being PBSA (between April 2011 (the base date of the Local Plan) and March 2020 some 9,282 new homes (net) were completed in Nottingham City, and of these 4,606 were student dwellings, equating to just under half of all new homes (49.6%),it is vital that this form of residential development contributes to meeting the City's affordable housing need, otherwise the planned level of affordable housing will not be met, and the City's affordable housing need will not be fulfilled. It is the Council's view therefore, that it is appropriate for affordable housing contributions to be sought from PBSA schemes specifically as the principle is established in the adopted Local Plan.
	ones allocated in the Local Plan and windfall sites to ensure that sufficient AHC contributions can be raised to meet our wider affordable housing needs.
The Council's accepts that PBSA does not meet a need for affordable housing as it states at para " PBSA is by its nature provided for students who do not live in the City full time, so it would not be meeting the City's affordable housing need."	The text quoted is taken out of context the "it" refers to providing "Direct provision of affordable PBSA bedspaces targeted at students" and not that PBSA does not meet a need for affordable housing. It should be emphasised that, at present, PBSA does not meet the need for affordable housing but that it should do and this is exactly why the Local Plan policy and SPD have been written to resolve this.

Summary of comments	City Council response
	So far as affordable housing is concerned in order to meet the test of necessity it must be demonstrated that there is a need in the district for affordable housing which otherwise will not be met. The point made in representations that PBSA does not contribute towards affordable housing nor create any need for it is, in fact, no different to the position of market housing. Market housing creates no need for affordable housing in itself, nor would it meet affordable housing need without contributions. This does not mean though that contribution cannot be sought.
The Council accepts that PBSA includes affordable accommodation; and that it does indirectly (and importantly) enable existing accommodation to be reused for family housing as it states at para " In any event, it is considered that the range of existing rental levels for PBSA encompasses some lower priced options that meet the needs of students with lower incomes."	however mean that all PBSA schemes offer some affordable bedspaces, as this will be dependent on the rental levels. This has clearly not been the case with many of the new city centre PBSA schemes which have been charging very high rents which could never be classed as being "affordable". Affordable housing contributions are sought from the full range of market housing types, regardless of price, and this is a similar approach.
No reason is stated as to why PBSA should be required to pay for affordable housing, to which it neither gives rise nor constitutes.	The policy is established by the local plan which was found sound at the Local Plan examination. With such a large proportion of new housing completed in the City being PBSA (between April 2011 (the base date of the Local Plan) and March 2020 some 9,282 new homes (net) were completed in Nottingham City, and of these 4,606 were student dwellings, equating to just under half of all new homes (49.6%),it is vital that this form of residential development contributes to meeting the City's affordable housing need, otherwise the planned level of affordable housing will not be met, and the City's affordable housing need will not be fulfilled. It is the Council's view therefore, that it is appropriate for affordable housing contributions to be sought from PBSA schemes specifically as the principle is established in the adopted Local Plan. The requirements need to be applied uniformly across all sites including
	ones allocated in the Local Plan and windfall sites to ensure that sufficient AHC contributions can be raised to meet our wider affordable housing needs.

Summary of comments	City Council response
	 The revised SPD expands on the Council's reasoning as to how the adopted Local Plan and the SPD comply with CIL regulations). In summary: necessary to make the development acceptable in planning terms necessity was addressed via the adopted Local Plan which specifically confirms that the Council will make a request for affordable housing contributions from PBSA. Therefore the SPD has been written to ensure that PBSA development contributes and complies with the Local Plan to meet the Council's wider affordable housing requirements. directly related to the development: PBSA forms part of the wider housing market and therefore must contribute to meeting the wider housing market's affordable housing needs. Student accommodation comprises a large part of the City's housing delivery and there are legal precedents and other Councils with similar sound planning policies to support our general approach. fairly and reasonably related in scale and kind to the development: The methodology set out in the SPD is consistent with affordable housing contributions that the Council seeks on normal housing development including Private Rented Schemes which have a similar model to PBSA and is flexible in its approach to allow site specific considerations to be taken into account.
There is no basis for suggesting that a requirement to provide, or contribute towards the provision of, affordable housing off-site is directly related to the development or fairly and reasonably related in kind to the development; and to say that it is "necessary to make the development acceptable in planning terms" merely begs the question.	With such a large proportion of new housing completed in the City being PBSA (between April 2011 (the base date of the Local Plan) and March 2020 some 9,282 new homes (net) were completed in Nottingham City, and of these 4,606 were student dwellings, equating to just under half of all new homes (49.6%), it is vital that this form of residential development contributes to meeting the City's affordable housing need, otherwise the planned level or affordable housing will not be met, and the City's affordable housing need will not be fulfilled. It is the Council's view therefore, that it is appropriate for affordable housing contributions to be sought from PBSA schemes specifically as the principle is established in the adopted Local Plan.
	The requirements need to be applied uniformly across all sites including ones allocated in the Local Plan and windfall sites to ensure that sufficien AHC contributions can be raised to meet our wider affordable housing

Summary of comments	City Council response
	needs.
	 The revised SPD expands on the Council's reasoning as to how the adopted Local Plan and the SPD comply with CIL regulations). In summary: necessary to make the development acceptable in planning terms: necessity was addressed via the adopted Local Plan which specifically confirms that the Council will make a request for affordable housing contributions from PBSA. Therefore the SPD has been written to ensure that PBSA development contributes and complies with the Local Plan to meet the Council's wider affordable housing requirements. directly related to the development: PBSA forms part of the wider housing market and therefore must contribute to meeting the wider housing market's affordable housing needs. Student accommodation comprises a large part of the City's housing delivery and there are legal precedents and other Councils with similar sound planning policies to support our general approach. fairly and reasonably related in scale and kind to the development: The methodology set out in the SPD is consistent with affordable housing contributions that the Council seeks on normal housing development including Private Rented Schemes which have a similar model to PBSA and is flexible in its approach to allow site specific considerations to be taken into account.
The Council accept that PBSA is acceptable in planning terms by reason of the need for it and the resultant release of existing accommodation for family use. The only purported justification for the contribution given in the draft SPD - "otherwise the planned level of affordable housing will not be met" (para 4.4) – fails to take into account the	The Local Plan allocates and promotes the principle of a range of uses including many forms of residential development (family housing, flats, student accommodation), retail, office etc but this does not preclude the Council from requiring S106 contributions from these developments where this requirement is set out in an adopted Local Plan.
requirements of Regulation 122 (and policy) in respect of planning applications.	The revised SPD expands on the Council's reasoning as to how the adopted Local Plan and the SPD comply with <u>CIL regulations</u>). In summary: • necessary to make the development acceptable in planning terms: necessity was addressed via the adopted Local Plan which specifically confirms that the Council will make a request for affordable housing contributions from PBSA. Therefore the SPD has been written to ensure

Summary of comments	City Council response
It is plain, moreover, that the Council accept that PBSA is acceptable in planning terms by reason of the need for it and the resultant release of existing accommodation for family use. The only purported justification for the contribution given in the draft SPD - "otherwise the planned level of affordable housing will not be met" (para 4.4) – fails to take into account the requirements of Regulation 122	 City Council response that PBSA development contributes and complies with the Local Plan to meet the Council's wider affordable housing requirements. directly related to the development: PBSA forms part of the wider housing market and therefore must contribute to meeting the wider housing market's affordable housing needs. Student accommodation comprises a large part of the City's housing delivery and there are legal precedents and other Councils with similar sound planning policies to support our general approach. fairly and reasonably related in scale and kind to the development: The methodology set out in the SPD is consistent with affordable housing contributions that the Council seeks on normal housing development including Private Rented Schemes which have a similar model to PBSA and is flexible in its approach to allow site specific considerations to be taken into account. The Local Plan allocates and promotes the principle of a range of uses including many forms of residential development (family housing, flats, student accommodation), retail, office etc but this does not preclude the Council from requiring S106 contributions from these developments where this requirement is set out in an adopted Local Plan. The revised SPD provides detailed reasons why the Council feels the Local
(and policy) in respect of planning applications.	Plan and SPD comply with the CIL regulations (set out in Section 4.0). PBSA is similar model as Private Rental Schemes and the Council asks for AHC contribution from that type of development. It is not considered that the formula in the SPD results in a disproportional amount compared to other forms of residential development. The approach is one of converting student bedspaces to a unit of affordable housing for the purposes of the commuted sum calculation. The long established formulaic approach to affordable housing remains unchanged, the SPD simply sets out the 'input' for the existing formula to make it applicable to PBSA schemes.
The requirement for PBSA to provide/contribute towards off-site affordable housing - appears to be as illogical and	The overall approach to affordable housing is set out in the ACS. LAPP Policy HO3 relates to affordable housing contributions from sites providing

Summary of comments

unacceptable as requiring, for example, retail or industrial development to provide affordable housing.

Whilst it is lawful in general to require residential development to include, or contribute towards the provision of, affordable housing (see, for example, R v Tower Hamlets LBC ex parte Barratt Homes Ltd [2000] J.P.L 1050 and West Berkshire District Council Reading Borough Council v Department for Communities and Local Government ([2015] EWHC Admin 2222)1, the reasoning set out in the draft SPD shows the lack of connection between PBSA and the affordable housing requirement and does not demonstrate that regulation 122 can be observed when determining planning applications.

City Council response

student dwellings. Both parts of the Local Plan were found sound following public examination.

There is a clear relationship between additional PBSA to meet the wider housing needs of the city with case law supporting this approach. Retail and industrial development do not have this same correlation to residential development. PBSA is similar model as Private Rental Schemes and the Council asks for AHC contribution from that type of development. It is not considered that the formula in the SPD results in a disproportional amount compared to other forms of residential development.

The approach is one of converting student bedspaces to a unit of affordable housing for the purposes of the commuted sum calculation. The long established formulaic approach to affordable housing remains unchanged, the SPD simply sets out the 'input' for the existing formula to make it applicable to PBSA schemes.

It is the Council's view therefore, that it is appropriate for affordable housing contributions to be sought from PBSA schemes specifically as the principle is established in the adopted Local Plan.

The overall approach to affordable housing is set out in the ACS. LAPP Policy HO3 relates to affordable housing contributions from sites providing student dwellings.. Whilst Policy HO3(4) may not have been 'challenged' during the Local Plan process that does not detract in any way from the fact that it is a policy of the adopted development plan that was found to be sound by the Inspector.

There is nothing in law to prevent the council having such a policy to secure affordable housing contributions from PBSA. The policy is established by the local plan which was found sound at the Local Plan examination. The SPD has been revised to provide a greater explanation of the justification for the policy, see section 4.

With such a large proportion of new housing completed in the City being PBSA (between April 2011 (the base date of the Local Plan) and March

Summary of comments	City Council response
	2020 some 9,282 new homes (net) were completed in Nottingham City, and of these 4,606 were student dwellings, equating to just under half of all new homes (49.6%),it is vital that this form of residential development contributes to meeting the City's affordable housing need, otherwise the planned level of affordable housing will not be met, and the City's affordable housing need will not be fulfilled. It is the Council's view therefore, that it is appropriate for affordable housing contributions to be sought from PBSA schemes specifically as the principle is established in the adopted Local Plan.
	The requirements need to be applied uniformly across all sites including ones allocated in the Local Plan and windfall sites to ensure that sufficient AHC contributions can be raised to meet our wider affordable housing needs.
	The revised SPD provides the reasoning why the Council considers the adopted Local Plan and the SPD complies with CIL regulations (see section 4.0).
Whilst understand that the lawfulness of Policy HO3 (4) of the LAPP was not challenged, on any view the reasoning disclosed in the draft SPD (see paragraph 13 above) clearly suggests that Policy HO3 (4) is no longer justifiable and that the requirements of the draft SPD are also therefore not justified. In those circumstances it would be unlawful in my view for the Council to continue to promote	The overall approach to affordable housing is set out in the ACS. LAPP Policy HO3 relates to affordable housing contributions from sites providing student dwellings Whilst Policy HO3(4) may not have been 'challenged' during the Local Plan process that does not detract in any way from the fact that it is a policy of the adopted development plan that was found to be sound by the Inspector.
the current draft SPD and open to legal challenge if it did so on the basis of a failure to take into account a relevant consideration/leaving out of account an irrelevant consideration and/or perversity.	affordable housing contributions from PBSA. The policy is established by
	The revised SPD expands on the Council's reasoning as to how the adopted Local Plan and the SPD comply with <u>CIL regulations</u>). In summary: • necessary to make the development acceptable in planning terms: necessity was addressed via the adopted Local Plan which specifically

Summary of comments	City Council response
Summary of comments	 confirms that the Council will make a request for affordable housing contributions from PBSA. Therefore the SPD has been written to ensure that PBSA development contributes and complies with the Local Plan to meet the Council's wider affordable housing requirements. directly related to the development: PBSA forms part of the wider housing market and therefore must contribute to meeting the wider housing market's affordable housing needs. Student accommodation comprises a large part of the City's housing delivery and there are legal precedents and other Councils with similar sound planning policies to support our general approach. fairly and reasonably related in scale and kind to the development: The methodology set out in the SPD is consistent with affordable housing contributions that the Council seeks on normal housing development including Private Rented Schemes which have a similar model to PBSA and is flexible in its approach to allow site specific considerations to be taken into account.
Miller Birch Limited (James Benyon, Quod)	
Miller Birch are purchasing (from Nottingham City Council) the former Fire Station and Police Station buildings within the 'Guildhall Site'. As part of the plan making process of that allocation, no site-specific viability was carried out by the Council.	The Plan-wide Viability Assessment that was carried out at the Local Plan preparation stage confirmed that " all proposed student housing is viable and deliverable". However, if there are issues over viability the SPD makes it clear that the developer can argue these be submitted as part of a viability assessment which will be independently examined as part of the application process. PBSA is a similar model to Private Rental Schemes and the Council seeks AHC contribution from that type of development and sees no reason why PBSA should be treated differently.
The draft SPD would burden developments within the City, including Miller Birch's proposals, with a significant commuted sum which will adversely impact the viability	As part of the Local Plan review a plan wide viability assessment was

associated

deliverability

and

of such

support the Council's approach and

representations explain, there is a lack of evidence to

assumptions contained within the draft SPD, and there has

been no consideration of the resultant viability implications

on PBSA development. The consequence of this approach

schemes. As these that "... all proposed student housing is viable and deliverable".

accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions

being sought, which render a proposal undeliverable, the applicant will be

required to submit robust viability assessments. These will be independently

examined before the scale and nature of any reduction is agreed." It is

Summary	of comments
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is to inadvertently stymie such development, which are a key part of the City's housing stock and important to a range of the Council's policy objectives.

Without further consideration of the viability impacts, unnecessary financial burdens will be placed on development, which are not fairly and reasonably related in scale and kind. As explained below, this would be contrary to the Community Infrastructure Levy Regulations (2010) and Planning Practice Guidance (PPG) on Supplementary Planning Documents.

More so the SPD is unsound, as it fails 3 of the 4 tests of soundness (Para. 35 of the NPPF) as the policy applies a commuted sum calculation that is not justified, and therefore cannot be effective nor consistent with national policy. Quod respectfully request that the necessary evidence to address the above is undertaken, or alternatively made available for review if already completed, and for this to be made publicly available for further consultation ahead of NCC progressing towards adoption of the draft SPD. We would therefore welcome the opportunity to discuss the above matters further following your consideration of these representations.

City Council response

therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions see section 4.0. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.

As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that "... all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions see section 4.0. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.

There is nothing in law to prevent the council having such a policy to secure affordable housing contributions from PBSA. The policy is established by the local plan which was found sound at the Local Plan examination. The policy does not relate to a specific use class but to all student dwellings. The SPD has been revised to provide a greater explanation of the justification for the policy, see section 4.

As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that "... all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions

Summary of comments	City Council response
	being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions see section 4.0. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.
The adopted Local Plan Part 2 (specifically Policy HO3) establishes that NCC will seek financial contributions from PBSA in lieu of on-site affordable housing, but only where it is viable. The draft SPD outlines the detailed methodology to calculate the financial contribution. There was no consideration given as to what constitutes a viable scale of contribution in the Local Plan preparation and examination. The viability evidence underpinning the Local Plan is therefore absent this. Whilst the most recent assessment (August 2018) states that "all proposed student housing is viable and deliverable" (Para. 1.9), it has no regard to the additional impacts of financial contributions upon the viability or deliverability of this particular land use. Consideration and justification of this is therefore the role of the draft SPD.	As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that " all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions see section 4.0. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.
	Whilst Policy HO3(4) may not have been 'challenged' during the Local Plan process that does not detract in any way from the fact that it is a policy of the adopted development plan that was found to be sound by the Inspector.
The draft approach could result in a financial contribution of £2,109,120 for a PBSA scheme of 1,300 bed spaces. Miller Birch do not object to the principle of seeking financial contributions for PBSA as this is outlined in an adopted Local Plan, but it is clear that any commuted sum would only be justified where it is viable to provide such.	As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that " all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions

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There is no sound evidence to support the calculation sought in the SPD and the approach is not justified. Without further justification, the draft SPD cannot be a sound basis upon which to seek financial sums from PBSA development.

No specific viability assessment of student development has been undertaken to support the draft SPD and consider how financial contributions towards affordable housing would impact upon the viability and deliverability of this land use. Without this the draft SPD cannot be justified, effective or consistent with national policy. Consequently, it cannot be found sound in its current form.

There is no evidence available to justify the assumption that 5 student bed spaces equate to 1 residential dwelling.

City Council response

being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions see section 4.0. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.

The formula set out in the SPD makes the nature of the calculations for PSBA consistent with that for other types of residential development. Miller Birch raise no issue with the application of the formula in so far as it applies to other forms of residential development. It is logical to apply the same approach to PBSA by equating PBSA bedspaces to households using the ratio as set out within the SPD.

As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that "... all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions see section 4.0. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.

The formula considers a notional "student household" size by dividing bedspaces in proposed schemes by 5. This is based on a combination of 2011 census data and the average household size of Houses in Multiple

Summary of comments	City Council response
	Occupation (HMO) registered on the Council's HMO database and is considered to be approximate average size of a student household in Nottingham.
	The approach is one of converting student bedspaces to a unit of affordable housing for the purposes of the commuted sum calculation. The long established formulaic approach to affordable housing remains unchanged, the SPD simply sets out the 'input' for the existing formula to make it applicable to PBSA schemes.
The Council's reliance on residential values as a proxy is not justified nor robust. There is no evidence to justify the assumptions that underpin the calculation within the draft SPD, and how these directly relate to student development. Specifically: a. Equating semi-detached dwellings directly to PBSA development is without any supporting evidence and cannot be a robust or justified approach. b. No evidence has been presented to support the use of 25% of the average property value. c. Applying this 25% value equally to both residential and PBSA development is not justified.	The SPD is based on the adopted Affordable Housing SPG. The policy in the Local Plan states that PBSA should contribute towards general Affordable Housing and therefore it is appropriate that the same formula is used as other non-student residential development. That is a logical and reasonable approach
Nottingham Action Group on HMOs (Maya Fletcher)	
NAG is broadly supportive of the proposed SPD to require developers of purpose built student accommodation (PBSA) to agree Section 106 contributions for affordable housing.	
The necessity to continually comment on this without making any reference whatsoever to the contributions made to the Nottingham's present and future by what one could call the indigenous local population living in our studentified neighbourhoods. It is our contention that these citizens of Nottingham are continually under-valued, both in public and privately.	Comment noted. It is intended that the money raised through student development will help benefit all citizens of Nottingham.
Seriously question The focus on the City's role in providing for an ever-increasing student population, whilst apparently	It is agreed that the University campuses should be a focus for new student accommodation as set out in LAPP Policy HO5. The universities and

Summary of comments	City Council response
absolving the universities who bring them here from any responsibility when to comes to providing accommodation for them on their campuses.	encourage to provide additional accommodation to meet their growing needs and this is already embedded in Local Plan policy.
Believe that a need to consider the location of PBSA is as essential as the issues listed in this section. PBSA should not be located in or alongside residential areas (and that incudes the peripheries of university campuses) where over-concentrations of students already exist and where it will contribute to an larger concentration of students and exacerbate existing social, economic and demographic problems.	and this is already embedded in Local Plan policy. Policy LS2: Supporting the Growth of Further and Higher Education Facilities sets out the boundary where it is suitable to provide additional University led development, including for Higher Education, Research and Development and Information and Communication Technology facilities, and includes ancillary uses such as accommodation.
It is important to clarify what is meant by 'traditional housing', i.e. Use Class C3 'family' homes which have been or may be converted into Use Class C4 and sui generis HMOs. As it stands, this section can be interpreted to mean students' traditional housing, thus reinforcing the impression that students have a 'traditional' form of housing. Loose wording!	Comments noted - clarification of text made in section 3.0.
with reference to comments made above, there really is no need to continue to emphasise/acknowledge the questionable benefits of students, especially their social benefits.	Comments noted - clarification of text to be made.
Also, whilst it is clearly desirable that students (and, for that matter, all residents) live in safe and suitable accommodation, it is highly questionable whether students need to live near the universities in order for the universities to maintain their vitality. Nottingham has an excellent public transport network and therefore there is no reason why students must live near university campuses. It is inevitable that PBSA in locations near university campuses will exacerbate the existing high concentrations of students in those areas.	Comments noted - clarification of text to be made.

Summary of comments	City Council recognes
Summary of comments Developers are being encouraged to build DRSA rether	City Council response
Developers are being encouraged to build PBSA rather	The Council responds to planning proposals and determines these in
than C3 dwellings, whether these are classed as affordable	accordance with policies in the adopted Local Plan. The Council continues
or not. The Council needs to consider additional planning	to monitoring student accommodation and the PBSA vacancy surveys have
guidance aimed at diverting investment away from PBSA	shown that there remains a real need for additional PBSA capacity of all
into C3 dwellings, and also encourage the expansion in	types. If the Council were to restrict PBSA supply it would provide greater
student numbers only if this is commensurate with PBSA	pressure on other parts of the housing market including C3. The policy
provision within university campuses.	encourages further PBSA on university campuses.
There is no evidence that PBSA has indeed freed up	The Council had seen a fall in the number of student houses based on
existing housing elsewhere, i.e. conversion from C4 and	student Council Tax Exemptions but in recent years this decrease has
sui generis back to C3 accommodation. At least whatever	reversed as the student numbers have increased higher than new PBSA
conversions back to C3 have taken place need to be	bedspaces have been provided. This emphasises the need for additional
viewed in terms of where the C4/sui generis	PBSA bedspaces.
accommodation subject to conversion is/was located, i.e.	
was it somewhere that students want to live; was it in	
residential areas where there are already high	
concentrations of students; was it good quality	
accommodation or did it fall victim to the increased	
awareness of students about what is and is not good	
quality and well managed and with good facilities?	
Also, note needs to be taken of NPPF 60-62 and	Creating mixed and balanced communities is a key objective of the Local
elsewhere where reference is made to the need for mixed	Plan and policies in the Plan are designed to support this.
and balanced communities. PBSA in areas which have	
been identified as being in need of rebalancing/mixing or	
which are identified as being in danger of becoming	
unbalanced, will merely add to the imbalance and lack of	
mixing, particularly if the universities continue to expand.	
It is clear that PBSA, in creating more accommodation has	The Council's policy to encourage PBSA provision is to ensure that there is
encouraged unsustainable growth in student numbers. This	a viable housing solution for the growth in student numbers. If further
is particularly the case since PBSA continues primarily to	provision was not provided then there would be even greater pressure on
appeal to first year students rather than those in their	the rest of the housing market.
second and subsequent years at university. (These are the	
students who until the Article 4 fuelled the uncontrolled	
conversion of C3 to C4 and sui generis, who latterly are	
fuelling increases in numbers of occupants in each HMO,	

Summary of comments	City Council response
and who thereby discourage return to C3 use whether by	
owner-occupiers or as rental properties available to a	
broad definition of what constitutes a 'family'.)	
Further PBSA development without due attention to	The locations where PBSA is strongly encouraged is clearly set out in the
location, i.e. in neighbourhoods where there are already	adopted Local Plan under Policy HO5: Locations for Purpose Built Student
over-concentrations of students with resulting socio-	Accommodation and includes university campuses (criterion b).
economic and demographic imbalance will merely only	
serve to create further imbalance in these neighbourhoods	
and have further negative impact on the communities who	
endeavour to live in them. PBSA (and of course HMOs)	
must be controlled so as to prevent this from happening in	
wards where over-concentration of students is already a	
problem, or demonstrably likely to become a problem in the	
near future, e.g. Lenton. Dunkirk, Wollaton East, the	
Arboretum and neighbouring areas.	
It is accepted that on-site affordable housing with respect	Support noted.
to PBSA is impractical and highly undesirable	
However, contributions to off-site affordable housing	Affordable housing is allocated across the city on a needs basis. There has
should not be used at the expense of the areas of the city	in recent years been large investment in new provision in the Lenton ward.
where there are over-concentrations of students, i.e. these	There are allocations within Lenton and the surrounding area that are within
areas must not act as the source of funding for housing in	existing residential areas which specify that development should be
other parts of the city. These areas already suffer enough	predominantly family housing eg SR37 Derby Road - Sandfield Centre,
blight from studentification without being required to suffer	SR38 Prospect Place and SR39 Derby Road - Former Hillside Club.
further blight. What is needed in these neighbourhoods is	
for off-site affordable to be located within them as a first	
priority as a means of assisting in rebalancing them and	
improving the social, economic and demographic mix.	
Bearing in mind Nottingham's enviable public transport	
system, there is really no need whatsoever to consider	
focusing PBSA in areas where there are already in effect	
student ghettos.	

Cummary of commants	City Council roomana
Summary of comments	City Council response
Apparently, there is no incentive for developers to provide	The Council is not able to directly influence rental levels but it is clear that
lower priced options in PBSA. One of the stumbling blocks	there is already a wide range of PBSA with different rent levels, some of
to encouraging students to see PBSA as a viable option to	which are 'affordable'. By adding additional capacity in appropriate locations
HMOs is in fact the rental costs. If the city is serious about	
rebalancing communities in places like Lenton and the	on rental levels by increasing supply.
Arboretum, then it needs to act in order to bring PBSA	
rentals in line with those in HMOs. This will also help to act	
to reduce the inflation of land values which further	
encourages higher rentals in PBSA.	TI (1 1 400/ /50 74 I I) 000/
Our preference is to see the requirement that the	, , ,
affordable housing contribution begins at between 30 and	(75+ bedspaces) from PBSA is in line with Policy HO3 and traditional
40 bed spaces.	requirements for affordable housing requirements from other non student
	housing developments which are also tired at 10% for 10-14 homes and
Me note that is recidential areas with what can be toward	20% for 15+ homes.
We note that in residential areas with what can be termed	The formula considers a notional "student household" size by dividing
'larger' houses, the size of student HMO households	· · · · · · · · · · · · · · · · · · ·
regularly exceeds the average of five quoted here. The rule	2011 census data and the average household size of Houses in Multiple Occupation (HMO) registered on the Council's HMO database and is
of thumb is that a three-bed C3 dwelling converts into a six-bed C4 HMO, a four-bed C3 dwelling converts into an	
eight-bed sui generis HMO, and so on, even before	considered to be approximate average size of a student household in Nottingham.
possible/potential garage conversions, extensions into	Nottingnam.
lofts, etc. are taken into account.	The approach is one of converting student bedspaces to a unit of affordable
ions, etc. are taken into account.	housing for the purposes of the commuted sum calculation. The long
	established formulaic approach to affordable housing remains unchanged,
	the SPD simply seeks to justify the 'input' for the existing formula to make it
	applicable to PBSA schemes.
Nottingham City Homes (Dan Lucas)	applicable to 1 DOA solicines.
NCH believes that affordable housing contributions as	Comment noted
outlined in the proposals should apply to all types of PBSA	
as indicated and supports the proposals set out in the	
document.	
It is important that affordable housing contributions are	Support noted.
available to meet the housing needs of Nottingham's	· ·
citizens. The need for affordable housing in the city is	

Summary of comments	City Council response
clearly illustrated by the size of the Housing Register for	
social housing (the 'waiting list') which currently stands in	
the region of 9,000 households seeking such housing.	
Commuted sums to help provide funds for affordable	Comments noted
housing are supported as an approach, we agree that on	
site affordable housing provision on sites being developed	
for PBSA would not be a desirable option.	
Funds raised should be used to pursue the City Council's	Comments noted
objectives in relation to the provision of affordable housing.	

Unite Group Plc (ROK Planning OBO Unite Group Plc - Matthew Roe)

Ultimately, there is a severe lack of justification for the calculation presented within the SPD. There is no policy basis, evidence, or justification given for the application of conventional residential affordable housing thresholds to student developments. Additionally, there is a further lack of justification provided for the calculation used to convert dwelling numbers into bedspaces in order to facilitate this equation. Thus, Unite strongly object to the calculation set out within the draft SPD and it is considered that the calculation for affordable housing contributions arising from student development should be treated separately from conventional residential development, and based upon policy, evidence, and assessment applicable to the specific accommodation type.

With such a large proportion of new housing completed in the City being PBSA (between April 2011 (the base date of the Local Plan) and March 2020 some 9,282 new homes (net) were completed in Nottingham City, and of these 4,606 were student dwellings, equating to just under half of all new homes (49.6%),it is vital that this form of residential development contributes to meeting the City's affordable housing need, otherwise the planned level of affordable housing will not be met, and the City's affordable housing need will not be fulfilled. It is the Council's view therefore, that it is appropriate for affordable housing contributions to be sought from PBSA schemes specifically as the principle is established in the adopted Local Plan.

The requirements need to be applied uniformly across all sites including ones allocated in the Local Plan and windfall sites to ensure that sufficient AHC contributions can be raised to meet our wider affordable housing needs.

The formula considers a notional "student household" size by dividing bedspaces in proposed schemes by 5. This is based on a combination of 2011 census data and the average household size of Houses in Multiple Occupation (HMO) registered on the Council's HMO database and is considered to be approximate average size of a student household in Nottingham.

The approach is one of converting student bedspaces to a unit of affordable

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	housing for the purposes of the commuted sum calculation. The long
	established formulaic approach to affordable housing remains unchanged,
	the SPD simply seeks to justify the 'input' for the existing formula to make it
	applicable to PBSA schemes.
The calculation should be tested for its affect on the	As part of the Local Plan review a plan wide viability assessment was
viability of student developments, with the issues that can	commissioned in 2018 to appraise the economic viability of potential
arise as a result of this. It is important to consider the	development allocated within Nottingham City. The study specifically states
implications of enforcing such a contribution at the level	that " all proposed student housing is viable and deliverable". In
currently proposed, especially when this has not been	accordance with Policy IN4 and as repeated in the SPD "If an applicant
tested or assessed as detailed above. The added cost of	considers there to be issues of viability due to the level of contributions
affordable housing contributions when applied in the same	being sought, which render a proposal undeliverable, the applicant will be
way to PBSA as conventional residential uses is likely to	required to submit robust viability assessments. These will be independently
cause viability issues, as the application of same	examined before the scale and nature of any reduction is agreed." It is
thresholds across the two development types does not	therefore considered that policies in the Local Plan and the SPD are flexible
take account of the differences in these typologies. For	enough to ensure that PBSA development is not prevented from coming
example, there are numerous additional costs associated	forward by putting the onus on developers to demonstrate why a scheme
with PBSA development that largely do not affect	would not be viable without a reduction in contributions see section 4.0. This
conventional residential dwellings, including the	flexibility will ensure any uncertainty due to the Covid pandemic can be
employment of staff to enforce Management Plans.	recognised.
Additionally, PBSA is subject to numerous other planning	
obligations and contributions which can affect viability,	PBSA is a similar model to Private Rental Schemes and the Council asks for
including Open space Contributions and Flood Risk	AHC contribution from that type of development. It is not considered that the
contributions. Currently, there is a lack of evidence to	formula in the SPD results in a disproportional amount compared to other
suggest that these further contributions have been taken	forms of residential development.
into account when considering how the draft affordable	
housing contribution will affect the development viability of	The approach is one of converting student bedspaces to a unit of affordable
PBSA.	housing for the purposes of the commuted sum calculation. The long
	established formulaic approach to affordable housing remains unchanged,
	the SPD simply seeks to justify the 'input' for the existing formula to make it
	applicable to PBSA schemes.

Summary of comments

Paragraph 6.2 goes on to state that "direct provision of affordable PBSA bedspaces targeted at students considered to be in need of lower cost rent is also not considered appropriate". Unite do not support this, and ultimately consider the provision of affordable student accommodation more relevant and applicable to PBSA developments than off-site contributions towards conventional affordable housing. It is both possible and likely that rental levels will increase, thereby leading to a shortfall in affordable student accommodation. This is likely to be compounded by the fact that an off-site contribution will dramatically increase the costs of developing PBSA in the city, which can lead to both increased rental levels and hinder the development of PBSA in the first instance.

Even when considering the contribution as a 'starting point', negotiations via the viability process will also increase the costs associated with developing student accommodation in the city, as noted above. Ultimately, the increased costs associated with the development of PBSA in the city is likely to have the following negative implications:

- PBSA providers will look to other cities where the cost to develop PBSA is far lower;
- Regardless, fewer student schemes in Nottingham will be viable and thus fewer bedspaces will be delivered;
- Thus, the provision of PBSA bedspaces will fail to meet the current and increasing demand within the city leading to an increase in HMO's; - The increase in demand for PBSA will lead to higher rental levels for those bedspaces that are deliverable, leading to a shortage in affordable student accommodation;
- Schemes that remain deliverable are likely to need to sacrifice communal amenity space or open space in favour of achieving a higher number of bedspaces; and

City Council response

Obtaining AHC contributions from PBSA ensures that that needs of the whole City can be achieved from all types of residential development going forward. If AHC contributions are not secured from PBSA then the city will not meet its housing needs for AHC especially given the PBSA makes up such a large proportion of its housing delivery (50% in recent years).

It is not therefore considered appropriate to provide affordable housing (PBSA bedspaces) on site as this would not be meeting the housing needs of the City - but instead the needs of students that mostly come from outside of the City boundary. In any event, a mechanism would need to be established to match those students with housing need to these "affordable PBSA bedspaces" which would prove difficult to administrate.

As part of the Local Plan review a plan wide viability assessment was commissioned in 2018 to appraise the economic viability of potential development allocated within Nottingham City. The study specifically states that "... all proposed student housing is viable and deliverable". In accordance with Policy IN4 and as repeated in the SPD "If an applicant considers there to be issues of viability due to the level of contributions being sought, which render a proposal undeliverable, the applicant will be required to submit robust viability assessments. These will be independently examined before the scale and nature of any reduction is agreed." It is therefore considered that policies in the Local Plan and the SPD are flexible enough to ensure that PBSA development is not prevented from coming forward by putting the onus on developers to demonstrate why a scheme would not be viable without a reduction in contributions see section 4.0. This flexibility will ensure any uncertainty due to the Covid pandemic can be recognised.

The SPD "sets the starting point for negotiations relating to the provision of affordable housing contributions from PBSA", and details that each case will be considered on its own merits. In addition the SPD confirms that "Once adopted this SPD will be monitored annually and updated as appropriate. Any new government legislation/guidance will supplement the information

Summary of comments	City Council response
 Viability issues associated with off-site affordable housing provision may lead to a reduction in the level of other contributions, such as open space. It is considered vital that that the comments made in this representation are considered and the draft calculation within the SPD, and specifically the application of the same thresholds as conventional residential to PBSA, is reviewed and assessed for its potential effect on the viability of PBSA developments. 	contained in this SPD."
However, the provision of affordable student bedspaces with reduced rent is considered much more applicable and appropriate to PBSA developments than an off-site contribution to conventional affordable housing. This is strengthened by the fact that there is no national policy basis for requiring such contributions from PBSA development, and the fact that the increased costs, especially in their current form, are likely to heavily affect the deliverability of PBSA in Nottingham. Therefore, it is suggested that consideration should be given to the provision of affordable student accommodation in lieu of off-site affordable housing contributions.	Obtaining AHC contributions from PBSA ensures that that needs of the whole city can be achieved from all types of residential development going forward. If AHC contributions are not secured from PBSA then the city will need meet our housing needs for AHC especially given the PBSA makes up such a large proportion of our housing delivery (50% in recent years). It is not therefore considered appropriate to provide affordable housing (PBSA bedspaces) on site as this would not be meeting the housing needs of the City - but more the needs of students from normally outside of the City boundary. In any event, a mechanism would need to be established to match those students with housing need to these "affordable PBSA bedspaces" which would prove tricky to administrate. There is nothing in National policy to prevent such an approach and other authorities require similar contributions (for example Oxford and Norwich).
Unite note the background set out within the introduction to the SPD and acknowledge and support paragraph 4.3 which recognises both the need for student accommodation across the city, and the social and economic benefits that students contribute towards.	Comments noted
Unite support paragraph 4.4 which acknowledges the fact that PBSA contributes to the general housing needs of the city and overall housing delivery in line with the National Planning Policy Framework (NPPF) and the adopted Nottingham Local Plan. In fact, the SPD notes that student dwellings contributed 53.3% of all new homes (net)	Comments noted

Summary of comments	City Council response
between April 2011 and March 2019.	,
The SPD states that the Council do not consider on site affordable housing provision within PBSA development practical. Unite are in support of this due to the difficulties associated with onsite provision at PBSA developments, including the conflicts with the management of units and	Support noted.
other common features of PBSA development such as a car free developments/low provision of car parking.	
Paragraph 6.3 of the SPD states that the SPD "sets the starting point for negotiations relating to the provision of affordable housing contributions from PBSA", and details that each case will be considered on its own merits. Unite consider this necessary as, as per the above, there are numerous factors which may affect the ability of a PBSA development to provide full off-site affordable contributions whilst remaining viable, which appear to have not been considered in the current calculations.	Comments noted
On-site provision of conventional affordable housing within PBSA development is considered inappropriate by Unite in line with the draft SPD.	Support noted.
University of Nottingham (Jamie Dickinson)	
The University plans to support the Local Plan in developing on campus accommodation that will attract returning students to stay in managed purpose built accommodation instead of HMOs in the local areas. It would appear that our strategy and intention matches that of the Local Plan but the proposed SPD potentially discourages this through counterproductive levy/fees being applied to such developments.	The University's policy to promote on-campus PBSA is strongly supported by the City Council as it reduce demand for traditional HMO housing in the local area. It is noted that the University considers that the SPD would be counterproductive by introducing a levy on new PBSA. As noted in the SPD, student housing contributes towards the City's housing need including affordable housing. It is therefore imperative that it also contributes to providing affordable housing. However, the revised SPD does not require AHC on PBSA at University Campuses (as defined by Policy LS2 of the Local Plan). Schemes for the development of non-student accommodation, be this market or affordable homes would not be supported on the campuses as defined on the Local Plan Policies Map as they would be contrary to the policy.
Our Estates team would welcome the opportunity to	Comments noted

Summary of comments	City Council response
develop this conversation, and would be grateful for a meeting to discuss in detail the options as to how the	
University can positively contribute towards the objectives of this proposal.	
It is important to acknowledge our present circumstances and the currently unknown impact Covid-19 will have on student numbers and the subsequent uptake of the available student accommodation across the City. Again, it seems an opportune time to have a detailed discussion about the potential future landscape of student accommodation.	