

**Watford Borough Council**

**Affordable Housing: Developer Contributions  
Supplementary Planning Document**

**Consultation Statement**

**July 2025**

## **1. Affordable Housing: Developer Contributions Supplementary Planning Document (SPD)**

- 1.1 In order to adopt a new Supplementary Planning Document the Town and Country (Local Planning) (England) Regulations 2012 under Regulation 12(a) requires local planning authorities to prepare a statement, setting out:
- i. The persons the local planning authority consulted when preparing the supplementary planning document;
  - ii. A summary of the main issues raised by those persons; and
  - iii. How those issues have been addressed in the supplementary planning document;
- 1.2 In accordance with this part, and Regulation 13 of the named regulations, the persons and organisations consulted as part of the process for preparing the Supplementary Planning Documents are identified in Appendix 2a.
- 1.3 Public consultation on the Draft Supplementary Planning Documents was open for more than five weeks, from 12<sup>th</sup> February to 20<sup>th</sup> March 2025.
- 1.4 This statement sets out the responses received, the key issues identified and how the council has sought to address these issues.

## **2. Purpose of the Document**

- 2.1. The SPD seeks to streamline the process for calculating developer contributions towards affordable housing from new development. It does this by setting out a new approach to calculating off-site financial contributions towards affordable housing, as well as outlining a methodology for undertaking late stage viability reviews once a development is largely completed.

- 2.2. This guidance is to be used by council officers, members and applicants when developing and making decisions on schemes where an affordable housing contribution is required by national policy or by the Watford Local Plan.
- 2.3. Once adopted, the SPD will be a material consideration in the determination of planning applications. It will fully supersede the 'Watford Commuted Sums for the Provision of Affordable Housing SPD (Revised 2020)'.

### **3. Stakeholders consulted during preparation of the SPD**

- 3.1. The Local Plan consultation database was used as the basis for the consultation and everybody on the database was contacted at the start of the consultation period and then again within 48 hours of the closing date.
- 3.2. This database includes statutory consultees as well as a range of other interested parties, businesses and residents as well as neighbouring and related local authorities.
- 3.3. Notification of the consultation was also given to attendees at a local Developer Forum which took place in November 2024.
- 3.4. Additionally, public notification of the consultation was given on all the Council's social media accounts as described below and so any person who followed these pages would be notified of the consultations taking place.

### **4. How were stakeholders formally consulted?**

- 4.1. Formal consultation was undertaken in accordance with Watford Borough Council's Statement of Community Involvement (2020).
- 4.2. The consultation consisted of the following:
  - a. *Website*. Details of how to view and respond to the consultation were published on the Council website [here](#).

- b. *Hard copies.* These were made available to view at the Town Hall and Watford Library throughout the consultation period.
  - c. *Email and letter notifications.* The Council sent an electronic newsletter or posted a letter to all those on the Local Plan consultee list which provided details of the consultation<sup>1</sup>.
  - d. *Social media resources.* Notification of the consultation period was posted on the Council's Facebook, LinkedIn and Instagram pages. This was done on the day the consultation was launched and at two subsequent times throughout the consultation period.
  - e. *Local press.* A press notice was issued in the Watford Observer on Friday 14 February 2025 at the start of the consultation period.
- 4.3. The consultation period ran from Wednesday 12 February 2025 through to 5pm Thursday 20 March 2025.
- 4.4. The above consultation resources are set out in Appendix 1 of this statement.

## **5. Consultation Responses**

- 5.1. 5 responses were received. These were from three statutory consultees, and two other interested parties.
- 5.2. The table below sets out responses received. Note that certain responses have been paraphrased to identify the key issues.

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<sup>1</sup> Where a bounceback was received, every effort was made to find an alternative contact



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Ref	Respondent type	Organisation name	Para or Section	Comment	Council response
001	Statutory Consultee	Natural England	All	No specific comments	N/A
002	Statutory Consultee	Historic England	All	No specific comments	N/A
003	Organisation	Aroundtown	Co-living	Aroundtown are supportive of there being emerging guidance on calculating commuted sums as until the draft SPD, WBC's Policy H03.6 in the adopted Local Plan (2021-2038) gives no detail on the level of financial contribution expected from co-living schemes. Aroundtown suggest that the emerging guidance goes further to state that there should be options for delivering affordable housing as either a cash payment (as noted in the GLA guidance) or Discounted Market Rent (DMR) Co-Living on site.	The Council consider that sufficient flexibility exists in the Affordable Housing SPD and in the Co-living SPD for the Council to consider on-site affordable housing proposals on a case by case basis. Some minor wording changes are proposed to draw this out further.
			Build to Rent	Note that in paragraph 2.13 of the Draft SPD BtR is expected to provide on-site DMR affordable except in exceptional circumstances, outlining that DMR discount must be at least 20% to market rent. Aroundtown support this requirement.	Support welcome



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			<p>Para 2.26 and Para 2.9</p>	<p>Understand that all applications seeking to provide a commuted sum in lieu of on-site affordable housing must provide a financial viability assessment (Paragraph 2.26).</p> <p>Note that as the mechanism to calculate a commuted sum in lieu of on-site affordable housing for Co-Living schemes is in its infancy, WBC want to see the calculations for all schemes (Paragraph 2.9), whether or not they meet policy requirements.</p> <p>Understand this approach but would like to know whether this might change in the future i.e. if the scheme is policy compliant, then would the calculations to reaching the commuted sum need to be shared with WBC? Further to this point, Aroundtown would like to understand what viability discussions with WBC would look like when the scheme has a policy compliant commuted sum. Without a clear and efficient process there is scope for even policy compliant financial contributions to be subject to prolonged viability discussions.</p>	<p>In order for WBC to determine whether a financial contribution is policy compliant a calculation will need to be provided to assess. Normal viability discussions would likely focus on the scheme's GDV.</p>
			<p>Para 2.26</p>	<p>As noted above, Aroundtown welcome the Draft SPD providing guidance on calculating commuted sums in lieu. Paragraph 2.26 states a financial viability assessment "will be scrutinised by the</p>	<p>The WBC approach is considered to be compatible with the GLA approach in para 5.6.5 of draft guidance - it just goes a bit further to identify benchmarks</p>



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				<p>Council to determine the maximum viable level of contribution the scheme can sustain.</p> <p>The Gross Development Value (GDV) of the proposal, as determined through this exercise, will be used to calculate the commuted sum contribution required”.</p> <p>Aroundtown question why the Greater London Authority (GLA) approach has not been used which is that the commuted sum formula is equivalent to the difference in the GDV between the scheme with Affordable Housing versus the scheme without Affordable Housing.</p>	<p>relating to the value of the AH, whilst allowing flexibility around these.</p>
			Para 2.60	<p>Paragraph 2.60 states that “Financial contributions towards affordable housing should usually be provided as a lump sum upfront payment”, with a caveat that “Any alternative payment plan that is put forward by an applicant will be considered on a case by case basis”. Aroundtown request WBC to elaborate on the details of this point i.e. what is meant by an “upfront payment” – as agreeing the timings of this will be essential to all schemes coming forward.</p>	<p>This would be a useful clarification- footnote added to para 2.60 to show that upfront payment would usually mean before commencement of construction.</p>
			Para 3.3 and Para 3.11	<p>Request further clarification in relation to Paragraph 3.3 and Paragraph 3.11. Paragraph 3.3. states that late-stage reviews “will be included within the relevant S106 agreement for those applications that</p>	<p>The word ‘usually’ removed from second sentence of para 3.11</p>



				<p>fail to meet policy compliance”. However, Paragraph 3.11 states that “All applications that are providing a contribution of less than 35% affordable housing by habitable room on-site, or the equivalent as a financial contribution off-site, will usually be required to undertake a late-stage review within their s106 agreement.” Aroundtown would like WBC to confirm which text is correct i.e. are late-stage reviews always required or usually required?</p>	
			<p>Para 3.13, 3.14 and 3.21</p>	<p>Paragraph 3.21 states that WBC may, particularly on large scale phased developments, consider it “more appropriate for a late stage review to be based on a full review of scheme viability which would reconsider all development values and a wider range of development costs including professional fees and financial costs. Benchmark Land Value (BLV) and developers return should, however, continue to be determined at application stage and included within the s106 agreement to provide greater certainty, clarity and help avoid disputes when undertaking the review”.</p> <p>WBC want to replicate the GLA’s approach in London, however their suggested approach is different as it includes BLV in the S106 whereas the GLA’s approach is to exclude BLVs. This paragraph also directly contradicts Paragraph 3.13 and 3.14 of</p>	<p>The formulas naturally exclude BLV. Approach is the same as the GLA’s LPG. Wording of para 3.21 amended to refer to BLV being fixed at application stage in order to clarify this further</p>





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				<p>the Draft SPD, where it states that only build costs and GDV (i.e. not BLV) will be considered during the review.</p> <p>Aroundtown requests further clarification from WBC on this point</p>	
			Para 3.17	<p>Understand WBC's preference for any additional affordable housing contribution to be delivered on site (Paragraph 3.17), with the "acceptance that a financial contribution towards off-site provision would be accepted if it were demonstrated that on-site delivery was unfeasible".</p> <p>Aroundtown want to point out that in London on Build to Sale schemes, surpluses from late stage reviews are automatically in the form of payments, never additional on-site units.</p> <p>Aroundtown want to understand why this approach has not been used by WBC, since the inclusion of additional affordable housing in a Build To Sell scheme at the late viability review stage is always difficult and often impossible.</p>	<p>It is accepted that in the vast majority of cases an off-site financial contribution would result from a late stage review. This text was intended just to add flexibility to provide on-site provision where it may be possible. Wording tweaked to make clear that off-site contribution will be the norm.</p>



			Para's 3.47-3.52	Paragraph 3.47-3.52 discusses the carrying of deficits through to late-stage reviews. The wording is similar to the recent GLA draft guidance on late-stage reviews. Overall, Aroundtown think that it is positive that deficits may be acceptable in some instances.	Support welcome
004	Organisation	Watford Community Housing Trust (WCHT)	All	As a Watford based registered provider of affordable housing, Watford Community Housing Trust's vision is "to provide better homes and friendlier communities – together". They therefore support the approach set out in Policy HO.3 that on site provision is a priority and this SPD is for exceptional circumstances only. WCHT welcome the Council's approach of providing clarity and clear mechanisms through the draft SPD.	Support for the document is welcome- wording added to para 2.23 to highlight importance of early engagement with RPs to facilitate this.
			Para 2.21- Exceptional Circumstances	<p>WCHT note that at para 2.21, a consideration in determining exceptional circumstances is clear evidence that no RP would be interested in purchasing the affordable housing element of the scheme.</p> <p>Through a five year plan, WCHT have set out a clear commitment to grow and regularly engage in s106 affordable housing provision. WCHT are keen to support delivery on site wherever possible and welcome our details being shared with applicants</p>	Noted



				<p>at an early stage when they are developing scheme specific proposals.</p> <p>Given the essential role of affordable housing provision through developer contributions, WCHT support the principle, set out in national policy and repeated at para 2.9, that viability negotiations be made publicly available.</p>	
			Para 2.23	<p>While appreciating the intent behind para 2.23, WCHT question whether this provision be omitted or re-worded. As currently stated, there is a risk of interpretation that RPs encourage “poor doors”, which have been subject to national adverse commentary in recent years. The wording could either be omitted or if considered essential, be clarified. It is to support long term management, including regulatory obligations to deliver value for money services, that separate cores to demise to the RP are sometimes encouraged.</p>	<p>Agree- amend to "applicants should design affordable housing within schemes to support long term management, and deliver value for money."</p>
			Para 2.36- Determining the level of contribution	<p>WCHT agree that the subsidy assumptions at para 2.36 are a reasonable starting point. We would caution that 40% could be a strong assumption for larger, high value homes (3 bed plus). In our experience, for these larger properties, the percentage would be more like 35%.</p>	<p>Appreciate the positive agreement for the level of subsidy. There is flexibility within the text that would allow some variation to the proportion where evidenced.</p>
			Para 2.59- Co-living	<p>Re para 2.59, as a locally based RP, WCHT welcome the process being kept under review and are keen to</p>	<p>No response required</p>



				continue to engage with WBC and prospective developers as the position evolves.	
			Para 3.46- Late Stage Review	Note that para 3.46 appears to be inconsistent with para 3.19. Para 3.19 provides “Any financial contribution secured through the late stage review mechanism will be ring fenced to delivering additional affordable housing and will not be used for any other purpose.” Para 3.46 provides “The additional contribution, whether on-site, or being provided as a financial contribution off-site can be used to deliver additional affordable housing units or to increase the affordability of existing affordable housing”. Please clarify.	Reword para 3.19 to make consistent with para 3.46
			General	WCHT note the document does not seek to provide constraints as to how such contributions will be allocated and used. If such a policy document expressing a strategic hierarchy is to be developed, would welcome engagement again at that stage.	Noted
005	Statutory Consultee	National Highways	All	Content that the SPD is broadly in line with the relevant Local Plan policies and commitments on affordable housing and any minor revisions will not alter any conclusions from the Local Plan evidence base as seen in the transport assessment work. National Highways therefore have no further comments on the SPD.	No response required

## **6. Proposed changes to the SPD**

- 7.1 As a result of the above responses being received, the following changes are proposed to the SPD.
- 7.2 In response to several comments, the Council has provided additional clarification regarding on-site affordable housing contributions from co-living schemes. Whilst not proposing to be as explicit in its support for Discounted Market Rent as has been suggested in responses, the Council consider that the SPD now offers sufficient flexibility for on-site affordable housing contributions to be put forward for consideration by the Council on a case by case basis. This has also been reflected in the parallel Co-Living SPD.
- 7.3 Paragraph 2.60 amended to add clarity to the definition of 'upfront payment'.
- 7.4 In paragraph 3.11 remove 'usually' to ensure consistency with paragraph 3.3 and clarify position with regard to when a late stage review will need to be included within a s106 agreement.
- 7.5 Clarifying wording added to paragraph 3.21 to ensure the approach to using BLV is consistent with the approach used in London.
- 7.6 Clarify in paragraph 3.17 that the expectation will not be to provide a late stage review contribution on-site but as a financial contribution. Flexibility will be retained however to ensure that if a proposal was to provide the contribution on-site then it could be supported.
- 7.7 Amend paragraph 3.19 so that it does not refer exclusively to providing 'additional' affordable housing and that it can also deliver more affordable tenures of existing affordable housing.

## **Appendix 1 – Consultation documents/material**

### **Appendix 1a (Letter sent to those on consultation database without an email address)**

Dear Sir or Madam,

#### **RE: Watford Borough Council consultation on two Supplementary Planning Documents**

Watford Borough Council has published two Supplementary Planning Documents (SPDs) for consultation until 5pm on 20<sup>th</sup> March 2025.

##### Affordable Housing: Developer Contributions SPD

This SPD focuses on the provision of developer contributions towards affordable housing. Specifically, it outlines a revised approach to calculating off-site affordable housing contributions through commuted sums and a methodology for undertaking a late stage review to determine whether any additional affordable housing contributions are possible once a development is substantially completed.

##### Co-living: Standards and Requirements SPD

Co-living is a form of shared communal living for which interest in Watford has increased over the past year. This SPD therefore focuses specifically on co-living development and will set out a range of quantitative and qualitative standards and requirements that a co-living scheme would be expected to meet. The aim of the SPD is to ensure that co-living schemes are well designed, well integrated into their surrounding community and that they provide a high quality of life for residents.

#### **How and when to respond?**

The deadline for comments on both SPDs is **5pm on 20 March 2025**.

Responses to both SPDs should preferably be provided by email to [strategy@watford.gov.uk](mailto:strategy@watford.gov.uk)

Alternatively, responses can be made in writing to Planning Policy Team, Town Hall, Watford, WD17 3EX.

#### **Where to view the documents?**

The easiest way of viewing the SPDs is via the planning policy pages on the Councils website here- [www.watford.gov.uk/planning-guidance-1/community-planning](http://www.watford.gov.uk/planning-guidance-1/community-planning).

Paper copies of the SPDs are available to view at the Town Hall and Watford Library during normal opening times.

You are receiving this letter because you are listed on the Councils Local Plan consultation database. If you no longer wish to be on the database, or you would like to provide an email contact for future correspondence then please let us know.

If you have any queries, please do not hesitate to contact the Planning Policy team by email ([strategy@watford.gov.uk](mailto:strategy@watford.gov.uk)) or telephone (01923 278617).

Yours sincerely,

**Ellen Higginson**


**Place Shaping Lead**

Watford Borough Council

Town Hall, Watford, Hertfordshire WD17 3EX

[watford.gov.uk](http://watford.gov.uk)


Appendix 1b (Email that was sent on 12<sup>th</sup> February 2025)


 The linked image cannot be displayed. The file may have been moved, renamed, or deleted. Verify that the link points to the correct file and location.

[View this email in your browser](#)

## Have your say on two Supplementary Planning Documents

NEWS FROM

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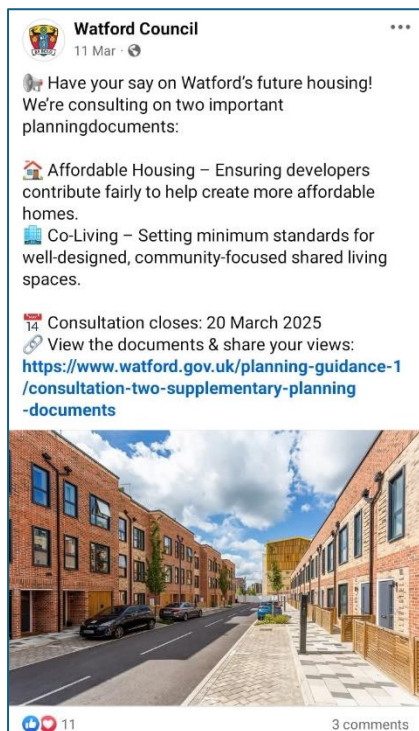
The council is now consulting on two Supplementary Planning Documents (SPDs) which build on policies in the adopted Local Plan. We welcome comments on either document from any interested parties. These consultations are running in parallel and the deadline for comments is **20 March 2025**.



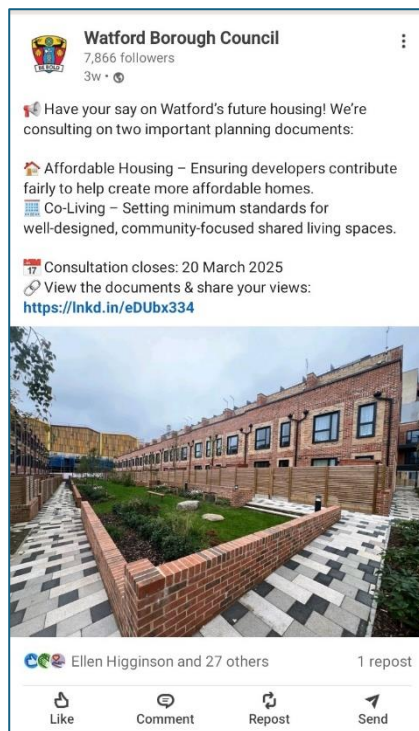


## Appendix 1c (Social Media posts)

### Facebook



### Linked In



### Instagram





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Appendix 1d (Press notice that was in the Watford Observer on Friday 14<sup>th</sup> February)

## **WATFORD BOROUGH COUNCIL**

### **WATFORD PLANNING DOCUMENT CONSULTATION**

Watford Borough Council is consulting on two new supplementary planning documents.

#### **Affordable Housing: Developer Contributions Supplementary Planning Document (SPD)**

This SPD focuses on the provision of developer contributions towards affordable housing. Specifically, it sets out a revised approach to calculating off-site affordable housing contributions through commuted sums and a methodology for undertaking a late-stage review to determine whether any additional affordable housing contributions are possible once a development is substantially completed.

#### **Co-living: Standards and Requirements Supplementary Planning Document (SPD)**

Co-living is a form of shared communal living for which interest in Watford has increased over the past year. This SPD focuses specifically on co-living development and will set out a range of quantitative and qualitative standards and requirements that a co-living scheme would be expected to meet. The aim of the SPD is to ensure that co-living schemes are well designed, well integrated into their surrounding community and that they provide a high quality of life for residents.

The consultation runs until **5pm on Thursday 20th March 2025**.

To find out more, read the documents and to provide comments please visit: [www.watford.gov.uk/planning-guidance-1/community-planning](http://www.watford.gov.uk/planning-guidance-1/community-planning)

Responses should be sent by the deadline to [strategy@watford.gov.uk](mailto:strategy@watford.gov.uk) or alternatively sent to Planning Policy Team, Town Hall, Watford, WD17 3EX.

Paper copies are available for inspection at Watford Town Hall Customer Service Centre and Watford Central Library during normal opening hours.

**Dated: 14th February 2025      [www.watford.gov.uk](http://www.watford.gov.uk)**

## **Appendix 2 – List of Consultees**

### **Appendix 2a (Specific Consultation Bodies)**

- Adjoining (and nearby) Local Planning Authorities (Dacorum Borough Council, Hertsmere Borough Council, St Albans City & District Council and Three Rivers District Council)
- The Coal Authority
- Electronic communication companies who own or control apparatus in the Borough
- Environment Agency
- Hertfordshire County Council
- Hertfordshire Valleys Clinical Commissioning Group
- Highways Agency
- Historic England
- Homes and Communities Agency
- Marine Management Organisation
- Natural England
- Network Rail
- Town and Parish Councils adjoining the Borough
- Utilities and service providers

### **Appendix 2b (Duty to Co-Operate)**

- Civil Aviation Authority
- Environment Agency
- Hertfordshire Futures
- Historic England

- Homes and Communities Agency
- Highways Authority
- Integrated Transport Authorities
- Marine Management Organisation
- Mayor of London
- Natural England
- Neighbouring local authorities and county councils
- Office of Rail Regulation
- Primary Care Trusts (Herts Valley Clinical Commissioning Group)
- Thames Water
- Transport for London