



Planning and Regeneration including Building
 Consultancy
AGENTS & DEVELOPERS WORKING GROUP
 Wed 3rd Dec 2014
 2.00pm-4.30pm (Room 134 – Borough Of Poole)

Attendees:		
<u>Borough of Poole:</u> Stephen Thorne (ST) – Head of Planning & Regeneration inc Building Consultancy - <i>chair</i> Richard Genge (RTG) – Planning and Regeneration Manager Sue Ludwig (SPL) – Business Manager Steve Dring (SD) – Senior Planning Officer James Gilfillan (JG) – Senior Planning Officer Aliis Kodis (AK) – Senior Planning Officer Gabriella Cobelli (GC) – Business Support and PA to Stephen Thorne <i>minutes</i>		
<u>Agents and Developers:</u> Graham Thorne (GT) - Thornes Chartered Surveyors & Estate Agents John Souter (JS) – Lionel Gregory Martin Hanham (MH) – Martin Hanham Peter Atfield (PA) – Goadsby (for Peter Traves)		
<u>Guests:</u> Ian Newman (IN) - Relationship Director (Nat West Bank)		
<u>Apologies:</u>		
<u>Agents and Developers:</u> Keith Harrison (KH) – Harrison Property Group May Palmer (MP) Harry J Palmer Peter Traves (PT) - Evans and Traves Peter Tanner (PT) – Tanner and Tilley Planning Consultants Mike Pennock (MP) - Savills Phil Easton (PE) – Western Design Architects		
<u>Borough of Poole:</u> Andy Holmes (AMH) – Building Regulations Manager		
Item		Action By / Owner
1.	<u>Minutes of the Last Meeting</u> As it has been sometime since the last regular A&D meeting (the last one was 4 th Dec 2013) and the AGM was 26th March 2014 it was agreed that minutes/actions have largely been overtaken by events. There were no immediate matters arising.	
2.	<u>Real Estate Finance – Current Position – Ian Newman</u> After an initial introduction ST spoke of the issues developers and the BoP are facing with development. ST invited IN to talk about how banks currently perceive real estate finance. Before the recession banks typically provide funding up to 70% loan to cost. Currently, as interest rates are low, the returns are equally low, and banks are more careful, ensuring developers do not spread themselves too thinly, only lending to those with sound track records. Lending appetite currently stops at 60% loan to cost with Nat West, though they will agree up to 65% for certain customers and schemes, but will ask for nearly all customer equity to go in up front. ST spoke about the BoP's Affordable Housing (AH) policy, which has struggled since the recession took hold. The scheme has to be viable for the AH policy to work. It was agreed the BoP's viability work should set the 20% figure, rather than the 15% profit margins the 3 Dragons model recommended. Developers can have difficulty finding the 40% of	

	<p>their own money, which limits schemes coming forward. We need to ensure costs we load on are given up on sale of the dwelling. Developers typically go to banks once planning permission is granted. Banks then conduct their own viability appraisal, including an independent valuation of the scheme by a member of the banks panel of valuers. This separate to DVS versions for Local Authority planning permission, and will also review the scheme's location & marketability i.e. is the site near a park, school etc. If the developer also has a good track record a bank may accept a scheme with a profit margin of 20% on cost (15-16% on GDV) but that is the exception rather than the norm. NatWest currently lend at 3-3.5% above base rate (0.5%) with an arrangement fee of 1.25% and exit fee of 1.25%.</p> <p>A Ministerial Statement was issued 28th Nov 2014 (to take immediate effect) and was about S106 contribution charges for AH. This over-rides the Core Strategy policy PCS 6: AH and SPD tariff payments for 6-10 dwellings. Consequently, AH contributions will only apply to 11 dwelling developments and above gross. Those up to 10 dwellings exceeding 1,000 sq. metre floor space will not, however, be exempt. IN's feedback from developers is that the planning process is difficult currently with CIL and AH adding to the mix.</p> <p>Some developers may have to approach secondary lenders, who charge much higher rates and fees, if they cannot get funding from the mainstream banks. This means first time developers without track record or those spreading themselves thinly end up incurring higher finance costs per scheme. Overall, those present felt the discussion had been useful. ST thanked IN for agreeing to come along to give the group an insight into the issues behind finance and development from the point of view of the financial services industry in general.</p>	
3.	<p><u>Terms of Reference / Email Address Sharing – (due to be covered in the Jun 2014 meeting) – Stephen Thorne</u></p> <p>The Group Terms of Reference as are reminder are as follows: - <i>“To work together, in the best interests of Poole, to achieve high quality, sustainable, viable and deliverable development outcomes in an open and transparent way.”</i></p> <p>The June 2014 meeting did not go ahead. Those present were happy for the TOR to remain as is, and were content to share their email addresses with the remainder of the Group.</p> <p>Action: GC to contact those not present to check if they are also happy with the above email arrangement.</p>	GC
4.	<p><u>Viability Workshop plus CIL Feedback and Comments – Steve Dring</u></p> <p>SD updated the group though he hoped to receive the consultants reports back a couple of days ago but they are having to be reworked due to the announcements last Friday (see item 2). SD hopes that he will receive the reports within the next two weeks to help inform the Core Strategy Review consultation in the New Year.</p>	
5.	<p><u>Heathlands (Why we are changing the current policy and the approach to developer contributions – Steve Dring</u></p> <p>The Heathlands SPD first came about in 2007. There were updates in 2010 and then 2012. The BoP is looking to further update it for 2015-2020.</p> <p>The BoP has been taking money solely through CIL, though a legal issue raised in one UK district Council raised the issue of Strategic Access Management and Monitoring, which includes education and wardening, are not considered as infrastructure which can be paid for through CIL. Therefore payments will have to be separated into 2 parts, capital projects through CIL and revenue projects through Section 106</p>	

	<p>agreements.</p> <p>The Council will consult on the Heathland SPD in the New Year with £355 developer Section 106 contribution for each house and £240 per flat. These costs will be factored into the viability work. Opinions were made in that the changes does not assist the developer though SD advised that other authorities are taking a more robust view with higher charges and that this is a better deal than some, though Natural England have yet to support the Council's approach.</p>	
6.	<p><u>Town Centre Planning and Design Supplementary Planning Document – Aliis Kodis</u></p> <p>AK gave an update on the current status of the above SPD. After months of modelling and testing the options are now complete. There will be two options going out for consultation. One two way, the other one way. The options will be presented to Cabinet on 9th Dec 2014. If Cabinet agree for the initiative to go forth, this will be out for consultation mid Jan 2015 for 8 weeks (possibly 10 weeks) as the closing date may coincide with the Core Strategy closing date. It may not go to Economy Overview and Scrutiny until after the elections in May 2015.</p> <p>ST advised Agents and Developers to be aware of this as this will have an impact on developers, as it also impacts on West Quay and has now embraced the Dolphin Centre and Seldown Car Park area.</p> <p>– link to webpage to ECOS agendas/reports for 6th Nov 2014 is below:- http://ha2.boroughofpoole.com/akspoole/users/public/admin/kab14.pl?operation=SUBMIT&meet=62&cmt=ECO&grp=public&arc=71</p>	Note for A&D
7.	<p><u>PAS Quality Audit - Richard Genge</u></p> <p>The BoP has signed up to carry out a quality audit. PAS are trying to get more of an understanding on our processes and speed of delivery. To help with this there will be a questionnaire issued to agents and developers as well as applicants and residents to gain an understanding of the quality of our planning process. The purpose of the exercise is to improve the service provided and to learn from the best, as we will be benchmarked against other local authorities. PAS will email the surveys at the end of the process. One word of caution, if an agent ops out of the survey the system opts them out of other applications they may be involved with.</p>	Note
8.	<p><u>Any Other Business</u></p>	
8.1	<p><u>Emailing of Decision Notices – raised by Sue Ludwig</u></p> <p>SPL advised the group of the proposal to email decision notices as opposed to sending them out in the post. Those present were happy with this to go ahead.</p>	
8.2	<p><u>S106 Agreements – raised by Martin Hanham</u></p> <p>MH, in light of the announcements last Friday, wondered how this would affect existing applications i.e. can the s106 agreement be varied rather than having to reapply.</p>	
8.3	<p><u>Action: RTG to confirm via legal services.</u></p> <p><u>Validation of Applications</u></p> <p>RTG advised of concerns about double handling of applications at reception stage. The common problems being no red line, wrong fee, inaccurate plans or key documents missing.</p>	RTG
8.4	<p><u>Transformation Challenge</u></p> <p>ST gave the group an overview on The Transformation Challenge Award. It is a grant issued by central government that Local Authorities bid for and the idea behind it is for local government to work in partnership to review and redesign their delivery of service. The idea behind it is to review where governance in Dorset could be improved in order to enable the authorities in Dorset to see if they want to create an amalgamated authority for some strategic functions. Powers and</p>	

	governance arrangements have not yet been agreed. There will be some consultation though the service areas this will cover have not yet been agreed.	
	<u>Date of Next Meeting:-</u> The Agents and Developers and Arboricultural Annual General Meeting - Wed 4th March 2015 6.00pm-9.00pm – Cattistock Room – Civic Centre	