



Our ref: PG/CLP

5th May 2026

Canterbury District Council
Planning Policy Team,
Canterbury City Council,
14 Rose Lane,
Canterbury,
CT1 2UR

Dear Sir/Madam,

Canterbury District Local Plan (Regulation 19) consultation

Further to the publication of the Regulation 19 consultation we wish to make comments on Appendix 2 – Commuted Sums calculator.

Bespoke Property Consultants specialise in the financial viability of developments, affordable housing consultancy and affordable housing sales.

We provide advice on all aspects of financial viability in the planning process including s106 negotiation, delivering affordable housing, securing offers from Registered Providers (RP) and providing consultancy services setting up new RPs.

Bespoke are leading experts on all aspects of S106 agreements and financial viability assessments. We are appointed by Local Authorities and Developers, so understand both party's needs in these negotiations.

Our firm has over 25 years' experience, is registered with the Royal Institute of Chartered Surveyors (RICS) and we are proud to be members of the British Property Federation (BPF).

Comments in relation to Commuted Sums Calculator

The methodology used in the commuted sums calculator is not in accordance with the NPPG and CIL Regulation 122 because it does not meet the third test set out in the Planning Obligations Guidance Paragraph: 002 Reference ID: 23b-002-20190901 as it is not "*fairly and reasonably related in scale and kind to the development*".

The reasoning behind this is the use of the words in Step 2 - "*Multiply the GDV by 30% to find the residual land value*".

The use of the words residual land value is not consistent with their definition as set out in the Royal Institute of Chartered Surveyors "Assessing viability in planning under the National Planning Policy Framework 2019 for

England”¹ which confirms that the residual land value is “*The amount remaining once the costs of development of a project are deducted from its net development value (NDV) and an appropriate profit has been deducted (based on the current edition of RICS’ Valuation of development property).*”

The current edition of RICS Valuation of Development Property is dated 2019² and confirms that residual land value is “*gross development value (GDV) - total development costs (including profit) = residual land value*”

Therefore a fixed % is not in accordance with the RICS definition and cannot therefore be a residual land value.

We have developed our own model which is used by a number of Local Authorities and is compliant with Regulation 122.

We have successfully taken our model through a local plan examination with the London Borough of Richmond and links to their documents can be found at

https://www.richmond.gov.uk/services/planning/planning_policy/supplementary_planning_documents_and_guidance/affordable_housing_spd

We are currently in the process of developing an AI tool to assist LPA’s and developers with this calculation to speed up dialogue through the planning process.

Our method is aimed at establishing what subsidy a developer would have had to contribute to provide the policy level of Affordable Housing on site.

The calculations are based on a formula which reflects the true cost to a developer, had the affordable housing been delivered on site:

	Open Market value of units on site
Less:	Developer's profit (inclusive of marketing costs)
Equals:	cost of developing units on site (ie land + build + fees)
Less:	anticipated income from a Registered Provider (Capitalised rents, shared ownership sales)
Equals:	<u>Cost to developer of subsidising affordable housing</u>

1

<https://www.rics.org/content/dam/ricsglobal/documents/standards/Assessing%20viability%20in%20planning%20under%20the%20National%20Planning%20Policy%20Framework%202019.pdf>

² https://www.rics.org/content/dam/ricsglobal/documents/to-be-sorted/Valuation%20of%20development%20property_ready%20for%20approvals.pdf

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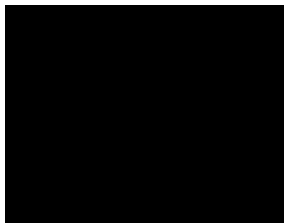
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Suggested change to Annexe 2

We consider that Annexe 2 can be altered to reflect the methodology we have set out to ensure legal compliance with the requirements of the NPPG and would look to work with the LPA to assist in this process.

Yours sincerely



PETER GRIFFITHS

Director

Bespoke Property Consultants

