

B&NES Community Infrastructure Levy Revised Draft Charging Schedule

Additional information for Examination

1. Post Submission Changes to the submitted Revised Draft Charging Schedule (PSD/1)

- 1.1 The Council wishes to request the Examiner to consider two proposed changes to the submitted Revised Draft Charging Schedule. These changes are to address some concerns raised by respondents and results of on-going dialogue with relevant respondents. Text proposed to be added is shown in **Bold** and text proposed to be deleted is shown with ~~strike through~~.

Amendments relating to Extra Care accommodation

RESIDENTIAL (Class C3) including Specialised, Extra Care and Retired Retirement Accommodation ¹

Foot note ¹ Excludes Specialist, Extra Care and Retirement accommodation that provides non-saleable floorspace in excess of 30% of Gross Internal Area.

- 1.2 The Council acknowledges that although Extra Care Housing falls within Use Class C3, it has different viability considerations to standard residential dwellings. It has a higher ratio of non-saleable common areas and a slower sales rate, but premium values and higher density (aided by reduced amenity space and car parking requirements) help to largely offset these factors. The Viability Assessment concludes that both Extra Care housing and retirement/sheltered housing are unlikely to generate significantly different results from those generated by other residential development.
- 1.3 However, the Viability Assessment assumes a 70% net to gross ratio for these types of accommodation which account for the additional common areas required in such development. The Council has accepted that higher levels of communal floorspace, in excess of 30% of the gross floorspace, may have an impact on viability, practically taking into account policy requirements for affordable housing. Therefore the Council wish to add the threshold as proposed.
- 1.4 The Council has worked with the Planning Bureau Ltd on behalf of McCarthy and Stone Retirement Lifestyles Ltd to formulate these changes. **Please see PSD/2 the Statement of Common Ground as attached.**

Amendments relating to Student Accommodation

On Campus Schemes with submarket rents to be set in section 106 agreement	£Nil
Off Campus Schemes without submarket rents to be set in section 106 agreement	£200

- 1.5 The Council has considered representations made concerning the difference between on-campus and off-campus CIL rates and the circumstances where sub market rent accommodation is developed for a University, off-campus. The differentiated rates set out in the CIL draft Charging Schedule were based on the rent level therefore the proposed changes set out above reflect the evidence more closely and make the intention clear.
- 1.6 The Viability Assessment (VA) May 2014 (DCS/1) omitted commentary on the inputs to the appraisals of student housing that were incorporated within Appendix 2 of the VA. An addendum note has been prepared by BNP Paribas Real Estate to address this omission and relevant participants have been notified.
- 1.7 The Viability Assessment tested student accommodation based on studio type accommodation with the market rental value of £183 per month and the sub-market rental value of £140 per month. Responding to comments the Council received, further appraisals have been undertaken testing smaller cluster accommodation with a market rental value of £135 per month. The appraisals indicate that cluster accommodation let at market rents will be able to absorb a maximum CIL of £674 per square metre. At £200 per square metre, the proposed CIL rate for market rented schemes leaves significant headroom below the maximum rate. *See PSD/3 B&NES CIL Viability Assessment Addendum note on Student Housing (Dec 2014)*

2. Additional Information for Examination

Housing trajectory

- 2.1 The Core Strategy directs new development to the most sustainable locations and the priority is to steer growth primarily to brownfield land in the urban areas of Bath, Keynsham and the larger settlements in the Somer Valley. However in order to meet the housing requirement and facilitate economic growth in accordance with the objectives of the Core Strategy, some sites were released from the Green Belt. The spatial distribution of the housing requirement is set out below.

	Core Strategy Provision (homes)
Bath	7,020
Keynsham	2,150
SV	2,470
Whitchurch	200
Rural	1,120
	12,960 homes

2.2 The housing requirement above is from 2011 to 2029. Therefore it includes sites already permitted or built since 2011 and sites likely to be dealt with prior to the anticipated CIL implementation date in April 2015. This leaves 4,594 dwellings likely to be subject to CIL. The table below sets out the SHLAA trajectory.

SHLAA trajectory (housing numbers)

	Core Strategy Provision	SHLAA Trajectory	Already permitted or built	likely to be dealt with prior to April 15	Likely to be subject to CIL
Bath	7,020	7,026	3,132	1,327	2,567
Keynsham	2,150	2,133	1,379	0	754
SV	2,470	2,521	1,926	78	517
Whitchurch	200	200	0	0	200
Rural	1,120	1,124	568	0	556
Total units	12,960	13,004	7,005	1,405	4,594
	100%		54%	10.84%	35.54%

2.3 The table below set out the breakdown of development types expected to be subject to CIL.

	Likely to be subject to CIL	Allocations Strategic Sites	Allocations /likely developments	windfall sites (below 10 units)
Bath	2,567	420	1,367	780
Keynsham	754	450	125	179
SV	517		284	233
Whitchurch	200	200	0	0
Rural	556	0	177	379
Total units	4,594	1,070	1,953	1,571
	100%	23%	43%	34%
	Potential CIL rates /m²	£50	£100	£100

2.4 Therefore of the housing units likely to be subject to CIL, 1,070 homes are on sites allocated as strategic sites, 1,953 homes are largely brownfield development and located within the city/town centres and rural villages, and 1,571 homes are windfall small sites below 10 dwellings, including self-build schemes which are exempt from CIL payment.