

**Bath and North East Somerset District Council  
Community Infrastructure Levy (CIL)  
Draft Charging Schedule**

**Statement of Common Ground**

**1<sup>st</sup> December 2014**

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**Between:**

- 1) Bath and North East Somerset Council (B&NES) – the Local Planning Authority and CIL Charging Authority
- 2) The Planning Bureau Ltd on behalf of McCarthy and Stone Retirement Lifestyles Ltd (PBL)

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**1 Background and Context**

- 1.1 This statement has been prepared by the above parties to identify the key common ground between B&NES and PBL with regard to the overall approach of testing viability and a number of key viability assumptions.
- 1.2 PBL submitted representations to the Draft Charging Schedule consultation (September 2014) and Proposed Modifications to the Draft Charging Schedule consultation (November 2014) querying the methodology and the interpretation the results of the BNP Paribas Real Estate Viability Assessment. This was the basis for PBL's intention to raise objections to the proposed CIL rate for retirement housing at the Examination Hearing.

**2 Matters of Agreement in Principle**

- 2.1 The parties have been working together in a constructive manner on the preparation of the B&NES CIL. Although, there are still matters of disagreement, the Council has assessed the viability of a specialist accommodation for the elderly housing development typology. PBL commends the Council for undertaking this assessment, which it considers to be best practice in Charging Authorities with an evident need for older person's housing as part of their wider housing mix.
- 2.2 The parties agree that in principle a residual land valuation methodology is an appropriate means to strategically assess development viability across an area.

- 2.3 The parties agree that the majority of viability assumptions used for assessing the development of Sheltered / Retirement housing are acceptable and in keeping with the recommendations made in the Retirement Housing Group (RHG) Briefing Note including; Sales Values, Build Costs, Marketing Fees, Professional Fees, the number of units and the density of development.
- 2.4 The Planning Bureau does not dispute the benchmark land values used in the viability appraisal.
- 2.5 The Viability Assessments for Sheltered / Retirement / Extra Care developments concluded that the surplus value available to make a CIL payment decreases in line with increases in the percentage of communal floorspace.
- 2.6 Where the provision of communal floorspace increases to 30% and over there is significantly reduced capacity for CIL across B&NES for these forms of development as shown in the tables below:

**Summary Table for Sheltered / Retirement / Extra Care Accommodation 30% Gross to Net Communal Floorspace**

Location	Affordable Housing Provision	Maximum CIL Rate (£ per m <sup>2</sup> )			
		BMLV1	BMLV2	BMLV3	BMLV4
Bath City Centre	40%	n/a	n/a	n/a	n/a
Bath Rural. Bathavon	40%	n/a	£25	£225	£235
Bath N& E	40%	n/a	n/a	n/a	n/a
Chew Valley (W)	30%	n/a	n/a	n/a	n/a
Bath N,W, A & Chew Valley (E)	30%	n/a	n/a	n/a	n/a
Keynsham	30%	£50	£200	£350	£350
Norton Radstock	30%	n/a	£50	£200	£250

**Summary Table for Sheltered / Retirement / Extra Care Accommodation 35% Gross to Net Communal Floorspace**

Location	Affordable Housing Provision	Maximum CIL Rate (£ per m <sup>2</sup> )			
		BMLV1	BMLV2	BMLV3	BMLV4
Bath City Centre	40%	n/a	n/a	n/a	n/a
Bath Rural / Bathavon	40%	n/a	n/a	£50	£100
Bath N& E	40%	n/a	n/a	n/a	n/a
Chew Valley (W)	30%	n/a	n/a	n/a	n/a
Bath N,W, A & Chew Valley (E)	30%	n/a	n/a	n/a	n/a
Keynsham	30%	n/a	£100	£250	£300
Norton Radstock	30%	n/a	n/a	£125	£150

- 2.7 The parties have considered evidence on the extent of communal floorspace in recent **Sheltered / Retirement developments** in the West of England and similar schemes in the South / South East of England previously submitted to the Tandridge CIL Examination. It is agreed that Retirement / Sheltered housing with 30% communal floorspace is typical of some sections of the industry.
- 2.8 Sheltered / Retirement housing which provides over 30% communal floorspace would be unable to support CIL across much of B&NES.
- 2.9 Similarly, both of the parties have considered evidence of the extent of non-saleable floorspace in recent **Extra Care developments** in the West of England and similar schemes in the South / South East of England previously submitted for the Tandridge CIL Examination). It is agreed that Extra Care housing with 35% communal floorspace is also typical of sections of the industry.
- 2.10 Extra Care Accommodation which provides 35% communal floorspace would be unable to support CIL across much of the B&NES.

### **3 Proposed Compromise**

- 3.1 PBL appreciates that B&NES Council has sought to assess the viability of Sheltered / Retirement and Extra Care developments and seeks to ensure that these forms of development remain viable under the proposed CIL regime. Whilst there are aspects of the methodology that remain in dispute, it is considered that the respective positions of both parties are not too far apart. Both parties have therefore agreed a potential compromise.
- 3.2 Sheltered/ Retirement and Extra Care developments that provide non-saleable communal floor space of 30% of the Gross Internal area or less can, for the most part, support the proposed £100 per m<sup>2</sup> CIL rate.
- 3.3 Sheltered / Retirement and Extra Care development that provides non-saleable floorspace equivalent to in excess of 30% of the Gross Internal Area cannot support the proposed rate of CIL in all parts of the District.
- 3.4 With PBL's support, B&NES Council therefore proposed the following modification to the Draft Charging Schedule:

**Proposed Post Submission Change**  
**RESIDENTIAL (Class C3) including Specialised, Extra Care and Retired-Retirement**  
**Accommodation<sup>1</sup>**

<sup>1</sup> **Excludes Specialist, Extra Care and Retirement accommodation that provides communal non-saleable floorspace in excess of 30% of Gross Internal Area.**

3.5 B&NES and PBL agree that the proposed modification is a suitable compromise based on evidence in the existing Viability Appraisals that fully supports the positions of both BANES Council and McCarthy and Stone Retirement Lifestyles Ltd.

3.6 We therefore respectfully request that the proposed modification be incorporated into the Draft Charging Schedule.

**4. Declaration**

4.1 The content of this document is agreed for the purposes of the B&NES Community Infrastructure Levy hearing 2014.

**Signed on behalf of The Planning Bureau Ltd:**



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Position: Policy Planner

Date: 2<sup>nd</sup> December 2014

**And**

**Signed on behalf of Bath & North East Somerset Council:**



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Position: *PLANNING POLICY TEAM LEADER*

Date: *3<sup>RD</sup> DECEMBER 2014*