

Planning Policy Team
Bath and North East Somerset Council
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15th September 2014

REPRESENTATION TO THE BATH AND NORTH EAST SOMERSET COUNCIL COMMUNITY INFRASTRUCTURE LEVY – DRAFT CHARGING SCHEDULE

This is a representation on behalf of McCarthy & Stone Retirement Lifestyles Ltd. As the market leaders in the provision of retirement housing for sale to the elderly, McCarthy & Stone Retirement Lifestyles Ltd considers that with its extensive experience and expertise in providing development of this nature it is well placed to provide informed comments on the emerging Bath and North East Somerset (BANES) Council Community Infrastructure Levy insofar as it affects or relates to housing for the elderly.

The CIL Guidance published in February 2014 by the Department for Communities and Local Government (DCLG) states consistently that *'In proposing a levy rate(s) charging authorities should show that the proposed rate o(or rates) would not threaten delivery of the relevant Plan as a whole'* (Paragraph 29).

The CIL Guidance also stresses the importance of this principle to individual market sectors that play an important role in meeting housing need, housing supply and the delivery of the Development Plan, such as specialist accommodation for the elderly. This is relevant in the context of Paragraph 37 of the Guidance:

"... However, resulting charging schedules should not impact disproportionately on particular sectors or specialist forms of accommodation and charging Authorities should consider views of developers at an early stage".

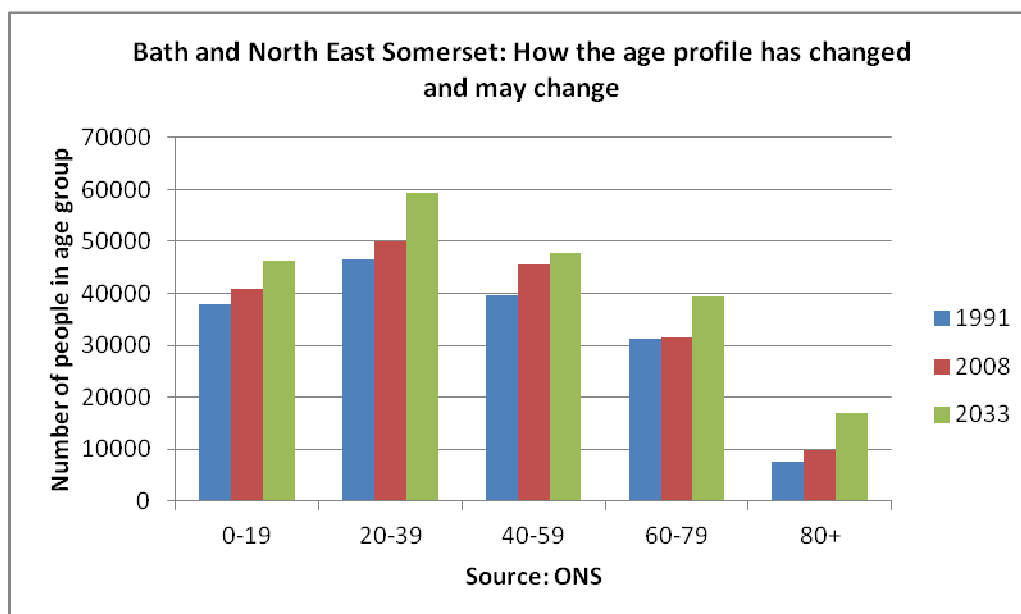
Where the provision of specialist accommodation for the elderly plays a clear role in meeting housing needs in the emerging or extant Development Plan, as it does in the context of the BANES LDF, by not properly considering the effect of CIL on this form of development the Council would be putting the objective of the Development Plan at risk and thereby contravening Government Guidance.

Growing Elderly Population

The National Planning Policy Framework stipulates that the planning system should be *'supporting strong, vibrant and healthy communities'* and highlights the need to *'deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities. Local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community...such as...older people'* [emphasis added].

The recently published National Planning Practice Guidance reaffirms this in the guidance for assessing housing need in the plan making process entitled **‘How should the needs for all types of housing be addressed?’** (Paragraph: 021 Reference ID: 2a-021-20140306) and a separate subsection is provided for ‘Housing for older people’. This stipulates that *“the need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of the new households (Department for Communities and Local Government Household Projections 2013). Plan makers will need to consider the size, location and quantity of dwellings needed in the future for older people in order to allow them to move. This could free up houses that are under occupied. The age profile of the population can be drawn from the Census data. Projections of population and households by age group should also be used. The future needs of older persons housing broken down by tenure and type (e.g. Sheltered, enhanced sheltered, extra care, registered care) should be assessed and can be obtained from a number of online tool kits provided by the sector. The assessment should set out the level of need for residential institutions (use class C2). But identifying the need for particular types of general housing, such as bungalows, is equally important.”* (My emphasis)

The “What Homes Where Toolkit” developed by the Home Builders Federation uses statistical data and projections from the Office of National Statistics (ONS) and the Department for Communities and Local Government (DCLG) to provide useful data on current and future housing needs. The table below has been replicated from the toolkit and shows the projected change to the demographic profile of BANES between 2008 and 2033



In line with the rest of the country, this toolkit demonstrates that the demographic profile of the Authority is projected to age. The proportion of the population aged 60 and over is projected to increase from 23.3% to 26.8% between 2008 and 2033. It should be taken into account that this is a higher proportion of people over the age of 60 compared to average trends across the UK (27.8%). The largest proportional increases in the older population are expected to be of the ‘frail’ elderly, those aged 75 and over, who are more likely to require specialist care and accommodation provided by Extra Care accommodation.

The current and increasing requirement for specialist accommodation for the elderly is specifically in the wording of Policy CP10: *Housing Mix* paragraph 3 which states:

'Housing developments will also need to contribute to the provision of homes that are suitable for the needs of older people, disabled people and those with other special needs (including supported housing projects), in a way that integrates all household into the community'.

It is therefore clear that the development of specialist accommodation for the elderly is a priority for the Council.

In light of the above, we consider that it is of vital importance that the emerging CIL does not prohibit the development of specialist accommodation for the elderly at a time when there is an existing and urgent need for this form of development and that by not properly assessing this form of development the proposed CIL rate would threaten the delivery of the relevant Development Plan contravening Government Guidance.

We therefore commend the Council on their decision to provide a Viability Assessment of Sheltered / Retirement housing and Extra Care accommodation.

McCarthy and Stone are however deeply sceptical about the results asserted by BNP Paribas in their Viability Assessment and the methodologies used. The relevant sub-chapter of the Viability Assessment – Extra Care and Sheltered / Retirement housing (paragraphs 6.17 – 6.20) provides scant details on the viability assumptions used in this assessment outside the extent of communal floor space provided. It omits details on the assumptions used for sales and marketing costs, build costs and empty property cost all of which should be given due consideration.

Additionally Table 6.20.1 only details the appraisal results for Retirement / Sheltered Housing with no results provided for Extra Care accommodation.

Copies of the appraisals for Retirement Housing and Extra Care accommodation are not evident in the Appendices published on the Council's website.

In light of the above we do not consider that enough evidence on Retirement Housing and Extra Care accommodation has been provided to allow for a robust and thorough investigation from the development industry.

The CIL Guidance clearly states that *'Charging Authorities should seek early engagement with local developments, others in the property industry and infrastructure providers when preparing their charging schedules'* (Sub-chapter 2:2:1:3 – Should other interested groups be involved?) The limited publication of viability evidence does not allow for effective or meaningful engagement with developers of specialist accommodation for the elderly and is therefore not in keeping with CIL Guidance in this respect as well as being contrary to the spirit of consultation.

We therefore respectfully request that details of the viability assumptions and development appraisals for Sheltered / Retirement and Extra Care accommodation are made available publicly. We therefore submit a holding objection to the Charging Schedule on this basis.

Thank you for the opportunity for comment.

Yours faithfully,

Ziyad Thomas
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The Planning Bureau Ltd.