Please find attached our representations on behalf of the Retirement Housing Group in relation to your current consultation on CIL. I await your acknowledgement of receiving these.

Kind regards
Katie Dodds
Planner
Tech MRTPI

T: 01202 430348
F: 01202 421131

Tanner & Tilley

Town Planning Consultants
4 Beresford Road
Southbourne
Bournemouth
Dorset
BH6 5AA
planners@tanner-tilley.co.uk
www.tanner-tilley.co.uk

REPRESENTATIONS ON THE PROPOSED COMMUNITY INFRASTRUCTURE LEVY

The Retirement Housing Group represents a range of providers of accommodation for older people both in the private and public sectors. The Group's remit is to promote awareness of this sector of the market and ensure planning policies are put in place so as to ensure the delivery of an adequate supply of accommodation specifically designed to meet the diverse needs of older people.

There is an increasing awareness of the issues arising from our ageing population. There are now 8.76 million people aged 65 or over in the United Kingdom which represents 11% of the total population. This is projected to increase to 11.6 million or 33% by 2025. This presents significant challenges to the nation as a whole. In recognition of the issues the Government has now put forward specific planning policies in the National Planning Policy Framework. ("NPPF") Firstly older people are identified and defined as a specific group in society. Secondly paragraph 28 of the draft requires that Local Planning Authorities should have a clear understanding of the housing requirements in their area and should prepare Strategic Housing Market Assessments to address the need for all types of housing to meet the needs of different groups in the community including older people. In terms of delivery paragraph 111 states that 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 the elderly.

The imposition of CIL on specialist accommodation for older people will disproportionate impact on viability compared with general needs housing. This will in turn affect deliverability and the Government's stated intention as set out in the NPPF and in 'A National Strategy for Housing in an Ageing Society' of tackling the problem of an ageing population.

Nearly all types of specialist housing for older people are impacted on financially by communal space and also a slower sales rate than other residential development. Typically such developments have between 25% and 35% of their internal floor areas devoted to necessary communal areas and facilities, such as residents lounges, laundries, guest suites, dining rooms and kitchens. It is these specific communal areas and facilities that differentiate older peoples' housing developments from other forms of accommodation for the wider population. These communal areas are a necessary part of a retirement housing development that are non-saleable floor space which the developer has to build but does not receive any direct revenue from. Therefore, to apply a CIL rate based on 'pounds per square metre of gross internal floor space' would unreasonably penalise a retirement housing developer who would have a building of typically on average 70% net saleable area to acquire revenue from, compared to other forms of residential accommodation that would have 90-100% net saleable floor area to acquire revenue from. This would place those providers of retirement housing at a disadvantage in land acquisition as the ratio of CIL rate to net saleable area would be disproportionately high when compared to other forms of residential accommodation. A further distinguishing feature which flows from the above is the level of service charges needed to support the care and support provided. The annual service charge for an Extra Care apartment is between £4,730 and £5,200 and £1,400 to £1,820 for a conventional category II sheltered housing scheme. In addition to service charges it has been estimated that the additional build cost of say an Extra Care development over and above over market apartments based on a 50 unit scheme is in the region of £1.8million. Both Oxford and East Northamptonshire have recently produced viability appraisals which recognise the impact of these factors and the GLA Housing SPG makes specific reference to the importance of "bespoke viability assessments for specialist older persons housing" (para 3.1.43). This approach should be common practice for all local authorities when carrying out viability appraisals to inform CIL charging schedules.

Given that viability of such schemes may therefore be marginal, application of a CIL may prevent many forms of retirement housing coming forward. Indeed the BNP Paribas Viability Study for East Northamptonshire concludes *"It is therefore considered that the viability of Extra Care Housing is very different from standard C3 housing and care homes, and our calculations show that they would be unable to absorb a CIL tariff. Our appraisals of retirement housing (i.e. a McCarthy and Stone type development, where residents have their own flat or house and buy in additional services and support as required) indicate that such developments are unlikely to generate positive residual land values. Our appraisals assume a 70% gross to net ratio, accounting for additional common areas required in such developments. This factor, along with a slower sales rate, combine to adversely affect viability."*

Whilst there is an understandable desire to keep the charging rates as simple as possible the broad inclusion of developments of accommodation for older people within a "general residential heading" fails to acknowledge the very specific viability issues associated with such housing.

In conclusion given the extent of projected housing need for older persons accommodation including specialist forms of older persons housing and extra care accommodation identified in 'A National Strategy for Housing in an Ageing Society', and at the local level, it is paramount that CIL schedule recognises the shortcomings of an across the board approach to Class C2/C3 schemes and address this issue to ensure fairness and avoid distortions of competition, when applied to specialist forms of older persons accommodation.

Finally it is noted that the CIL regulations, when considering exemptions to CIL payment, list a set of criteria which includes *'relief from CIL should be fair and not create undue distortions of competition'*. This criterion is equally valid when considering the application of CIL to differing forms of residential development.

For the above reasons developments of accommodation for older people, whether falling within Classes C2 or C3 of the Use Classes Order should be differentiated for general needs housing scheme when CIL is applied.