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**McCARTHY & STONE RETIREMENT LIFESTYLES LTD.
REPRESENTATION TO THE COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE**

As the market leader in the provision of retirement housing for sale to the elderly, McCarthy and Stone Retirement Lifestyles Ltd considers that with its extensive experience in providing development of this nature it is well placed to provide informed comments on the emerging Dartford Borough Council Community Infrastructure Levy (CIL), insofar as it affects or relates to housing for the elderly.

In our previous representation we stated that the proposed Charging Schedule would effectively prejudice the development of specialist accommodation for the elderly in Dartford Borough. The CIL Guidance published in December 2012 stipulates that the proposed CIL rate should not threaten the delivery of the relevant Plan and given the adopted Core Strategy highlights the need for this form of accommodation in Policy CS18: Housing *Mix*, it would be contrary to the CIL Guidance to ignore the issues facing this form of accommodation.

As mentioned in our previous representation, McCarthy and Stone are concerned with the appropriateness of applying a single viability appraisal methodology that does not account for variations across different forms of housing. It is clear that there are significant differences in costs between estate housing, flat developments and specialist accommodation for the elderly. In light of this, we suggested that the Council revise the Charging Schedule to ensure that specialist accommodation for the elderly remains viable within the Borough.

It is however, noted that Dartford Borough have sought additional advice from their consultants GVA Grimley in regards to the matter of Residential Care and Retirement Homes. Based on these recommendations the Council has recommended a nil CIL rate for all forms of development it deems to be within the C2 use class. My Client supports the principle of exempting C2 residential use classes from CIL.

As per the advice detailed in the GVA addendum to the Viability Appraisal, there is a significant element of uncertainty in this approach as the same form of specialist accommodation can be classified as either a C2 or C3 use dependent on an individual Council's definition:

"The original testing did not include a specific consideration of the ability of development for Care Homes, including Extra Care, or Retirement Homes to contribute to GIL. We have now been instructed to provide advice on this specific form of use.

There are also a number of specialist private companies who build and run care, extra care homes and retirement homes or villages, that can be a mix of dwellings providing both independent and supported living i.e. both Use Class C2 and C3.

The planning classification of a particular scheme can be difficult and there have been a number of planning appeals on this particular point. In particular, it can give rise to the question as to whether the development/operation may be treated as being effectively conventional residential housing, and therefore subject to the requirements and obligations arising under the relevant Council's planning policies. This can include a requirement to provide affordable housing, or more usually, a commuted sum in lieu.

In our experience developments that are genuinely and wholly within Use Class C2 will not be able to afford a GIL contribution. We would recommend that schemes that are classified as Use Class 3 be charged a GIL in line with the rates proposed for other forms of C/J housing." (Paragraph 5.1 to 5.4)

The advice as detailed above does not provide the Council with guidance on as to what constitutes a development that 'genuinely and wholly' lies within Use Class C2. A development that provides extensive communal facilities and support services at a significant cost to the developer, such as McCarthy and Stone Assisted Living (Extra Care) developments, may or not be considered a C2 use based on a preconceived definition of this form of housing.

Indeed, given that that the Council would stand to lose a significant sum of money where it to define a development as C2, there is little incentive for a planning officer to define any form of specialist accommodation for the elderly as any other than C3.

Whilst McCarthy and Stone have successfully demonstrated to Local Planning Authorities and at appeal that their Assisted Living developments are a C2, the ambiguity in the rationale proposed by GVA provides no clarity as to the level of planning obligations required by developments of this nature. This has significant disadvantages, not least of which in the purchasing of land. Clarity on this matter is supposed to be one of the principle benefits of the Community Infrastructure Levy.

Finally, the recommendations made by GVA have no basis in any viability appraisals of any kind rather it is simply based on the ambiguous premise of their experience. No viability appraisals have been completed for Extra Care, Retirement Living developments or indeed Care Homes for that matter. It is worth noting that many of the Viability Studies completed for other Local Planning Authorities, such as Corby and Dacorum Borough Councils, include viability appraisals for most, if not all of the, aforementioned developments.

In our previous representation we provided details on the extent of additional communal areas, additional marketing and sales costs, slower sales rate and empty property costs that characterise these forms of development. It is profoundly disappointing that this information has to all extents and purposes been ignored.

Whilst we acknowledge, and appreciate, that the Council has taken steps to ensure that specialist accommodation for the elderly is not impeded by the implementation of CIL, there Draft Charging Schedule still lacks clarity on this issue. We maintain that it is not appropriate to subject such development to the same CIL rate as open market residential development given the vast differences between these forms of accommodation. Finally we consider that the advice given by

the Council's consultants has no good evidence of any kind and that the evidence base is deficient as a result.

Thank you for the opportunity for comment.

Yours faithfully,

Ziad Thomas
Policy Planner
The Planning Bureau Ltd.