

**Rother District Council
Community Infrastructure Levy (CIL)
Draft Charging Schedule**

Statement of Common Ground

19th June 2015

Between:

- 1) The Planning Bureau Ltd (PBL) on behalf of McCarthy and Stone Retirement Lifestyles Ltd
 - 2) Rother District Council (RDC) – the Local Planning Authority and CIL Charging Authority
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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 Rother District Council and the Planning Bureau Ltd with regard to the overall approach of testing viability and a number of key viability assumptions.
- 1.2 The Planning Bureau Ltd. attended the CIL Viability Workshop in November 2013 and provided representations to the Preliminary Draft Charging Schedule (September 2014) and the Draft Charging Schedule (March 2015), querying the methodology and the interpretation the results of the Peter Brett Associates Viability Assessment. This was the rationale for pursuing our objection to 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 RDC CIL. 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 Representatives of the PBL and Peter Brett Associates (PBA) acting on behalf of RDC met on the 15th June 2015 to discuss the percentage of non-sales space and the evidence presented by PBL in their comments on the

Draft Charging Schedule. This meeting was suggested by the Examiner, Mr Kemmann-Lane, in his correspondence with the Planning Bureau Ltd (acting on behalf of McCarthy & Stone Lifestyles Ltd), dated 8th June.

- 2.3 McCarthy & Stone's representative, Mr Ziyad Thomas presented the plans and documents which support McCarthy & Stone's position in respect of increasing the non-sales space from the 20% used within the retirement dwellings typology in PBA's 'Addendum – Further Viability Advice and clarification', January 2015. These plans reflect the figures presented in a table on page 2 of The Planning Bureaus comments on the Draft Charging Schedule. Mr Porter and Mr Felgate from PBA agreed that the floorspace figures presented were accurate.
- 2.4 It was also agreed that of the schemes provided mainly reflected McCarthy & Stone schemes (8 out of 10 examples) across the South of England and were not necessarily representative of the cross market developers of retirement products within Rother, which include, for example Churchill and Amicus. It was also agreed that McCarthy & Stone non-sales space can be higher than other providers and that there are different types of 'retirement provision' that would still meet the definition contained within the addendum that may have more limited non-sales space. On this basis it was agreed that in terms of Rother it would be appropriate to use the mid-point of the potential ranges of non-sales space set out in the RHG guidance (the guidance has been added to the Examination library). The RHG guidance suggests that for retirement living the non-sales space used within assessments should be 20%- 30% of floorspace. There was agreement between PBL & PBA that a retirement typology at 25% communal floorspace, up from the 20% originally used, would be acceptable provided that there was a suitable buffer.
- 2.5 The result of the retesting is detailed in the table below and shows that a retirement scheme in Rother would have a total headroom of £199 per square metre. To illustrate the impact of this changed headroom the following table sets out how it compares with the proposed CIL rates set out in the Draft Charging Schedule for retirement properties and the associated buffer:

Headroom (£ per Sq. m)	CIL rate (£ per Sq. m)	Buffer
£199	£200 – Battle, Rural North & West	-1%
	£135 – Rye, Hastings Fringes and Rural East	32%
	£170 - Bexhill GF	15%
	£100 – Bexhill SUA	50%
	£50 – Bexhill urban	75%

2.6 In discussion with McCarthy & Stone it was agreed that an acceptable buffer in Rother for retirement development would be around 30%, omitting green field sites on the grounds that these are rarely suitable for specialist forms of older person's accommodation. As can be seen this means that the proposed CIL rates would be acceptable within all zones apart from Battle, Rural North & West, where the remaining headroom, if a CIL is applied, would be negative.

2.7 Advice was sought from the Council as to whether they would agree a reduction in the CIL rate to allow for a reasonable buffer, based on the revised evidence. Whilst not wanting to over complicate the Charging Schedule it is accepted that housing for older people is an important component of the housing mix and that it should not be unduly put at risk. It is considered that the approach represents an acceptable compromise between delivery infrastructure to support development whilst not putting that development at risk.

2.8 In light of the above RDC agreed a modification that the CIL rate is reduced within Zone 1 Battle, Rural North & West of £140 per sq.m. (previously £200 per sq m) in respect of Retirement / Sheltered housing to allow a buffer of 30%.

2.9 Subject to the proposed modification McCarthy & Stone would be willing to withdraw their objection to the RDC Charging Schedule.

3 Proposed Compromise

3.1 PBL appreciates that RDC Council has sought to assess the viability of Sheltered / Retirement housing and seeks to ensure that these forms of

development remain viable under the proposed CIL regime. Both parties have therefore agreed the following Modification.

Proposed Post Submission Change
Zone 1 - Battle, Rural Northwest
Sheltered / Retirement Housing (C3) - £140 per m²

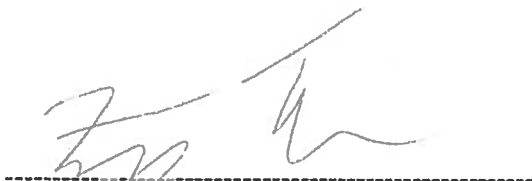
3.2 RDC and PBL agree that the proposed modification is a suitable compromise based on evidence in the existing Viability Appraisals that fully supports the positions of both RDC and McCarthy and Stone Retirement Lifestyles Ltd.

3.3 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 RDC Community Infrastructure Levy hearing 2015.

Signed on behalf of The Planning Bureau Ltd:




Position: Policy Planner

Date: 22nd June 2015

And

Signed on behalf of Rother District Council:



Position Service Manager - Strategy & Planning

Date 22nd June 2015