

Technical Note: Planning Obligations

Application Ref: 20220432

Description: Demolition of existing structures on site and the erection of 75 Retirement Living apartments for older people (comprising 48 no. 1-bed and 27 no. 2-beds) including communal facilities, access, car parking and landscaping.

Site: Former Police Station, 133 Windmill Street, Gravesend, DA12 1DB

I write in respect of the above-mentioned planning application, which has been valid since the 21st April 2022.

This Technical Note has been prepared to address requests for planning obligations made by statutory consultees. These can be summarised as follows:

- NHS Kent & Medway – Request totalling £43,632
- Gravesham Borough Council: Leisure - Request totalling £43,910
- Kent County Council: Economic Development – Request totalling £35,094

Any requests for planning obligations need to meet the statutory tests set out in Reg 122(2) of the Community Infrastructure Levy 2010, namely, that any obligations sought are:

- a) necessary to make the development acceptable in planning terms;
- b) directly related to the development;
- c) fairly and reasonably related in scale and kind to the development.

I will consider each requested obligation in turn against these statutory tests. To be able to apply the tests it is important to understand the type of residential scheme being proposed and the characteristics of its residents as this will inform the application of the tests.

NHS

In the first instance, we would like to highlight the findings of the '*Healthier and Happier*' by WPI Strategy. This concluded that each person living in a home for later living enjoys a reduced risk of health challenges, contributing fiscal savings to the NHS

and social care services of approximately £3,500 per year. As the proposed development will actually provide a saving to the NHS, we would query whether a contribution is necessary to make the development acceptable in planning terms and therefore, whether it can lawfully be justified.

It is important to recognise that the typical purchaser of a retirement living apartment tends to be 79 to 80 years of age, often single person occupancy. Retirement Living developments are a 'needs based' form of development and people tend to only move into them when they require further assistance to maintain an independent life.

One of the main reasons to choose to move into this form of accommodation is sadly on the death of partner. This means that the majority of apartments are single person occupancy. This is reflected in the current occupation statistics from Churchill's existing schemes (attached) which shows that the average occupancy is 1.3 persons per apartment.

NHS Kent and Medway detail their occupancy rates in Appendix 1 of their letter; 1.5 for a 1 bed and 2 for a 2-bed, giving a total occupancy of 121.20 persons.

The application of an occupancy rate of 1.3 reduces the total to 97.5 persons with the required contribution falling to £35,100.

Hence, notwithstanding the failure to meet test a) above, the extent of contribution being sought by the NHS is not fairly, nor reasonably related in scale and kind to the proposed development, and thereby also fails test c).

Kent County Council: Economic Development

Planning Obligations by Kent County Council are based on a tariff style approach, applied on a 'per household basis'. Contributions are not therefore proportionately based on occupancy.

Contributions to Youth Services are not directly related to development, as this is an age restricted development where individuals between 13 – 19 years of age would not be present. It fails statutory tests b) as set out in Reg 122(2) of the Community Infrastructure Levy 2010.

As detailed earlier in this letter, the proposed retirement living development will result in savings to social care services by providing older people with more appropriate accommodation. We would also query whether it is appropriate to seek Social Care contributions used to deliver specialist housing for the elderly, from a development which delivers this form of accommodation.

Further to the removal of the requirement for Youth Services contributions, the total required by Kent County Council is £30,181.50.

Gravesham Borough Council: Leisure

With residents typically being in their early 80s they use amenity space in a passive way. Active use of external amenity space tends to be relatively limited and mainly involves sitting out for those few residents who occasionally choose to do so, and perhaps tending a small flower border immediately outside of ground floor apartments where access is provided to individual apartments.

Occupants of this development would not therefore generally be users of formal sports pitches such as football, rugby, cricket or hockey. Moreover, as this is an age

restricted development children and young adults would not be present within the development.

The contribution has been carried out using the Sport's England Sports Facility Calculator with the total contribution determined on occupancy. It does not however consider whether the contribution is directly relevant to the development. The proposed level of contribution therefore fails statutory tests b) and c) as set out in Reg 122(2) of the Community Infrastructure Levy 2010.

Affordable Housing

Policy CS16 Affordable Housing states that it will seek 30% provision of affordable housing from schemes of 15 dwellings or more.

There are however additional costs associated with delivering retirement housing as opposed to standard open market housing. Around 25% of floor space is for communal facilities such as the owner's lounge and guest accommodation. This is unsaleable floor area which therefore reduces income. Local Plan viability assessments do not take this into account.

Churchill Retirement Living submitted a **Report on Affordable Housing and Viability** with a financial viability appraisal concluding that due to the nature of the development and site-specific factors, the proposal could not viably support any planning obligations.

This was independently reviewed by an external Viability Consultant who concluded that: '*a viable scheme is one which contains 75 retirement homes for market sale and total S106 contributions of £18,000*' (para 8.3).

The figure of £18k in the external viability consultant's conclusions is intended to address all planning obligations, including those for the NHS, leisure and Kent County Council. The scheme is not however sufficiently viable to meet those proposed obligations as originally stated, or, revised down due to factors detailed in this Technical Note.

Churchill Retirement Living are however aware that planning obligations and in particular affordable housing are political priorities for the Council. **After careful consideration, they are willing to make a commercially expedient offer of £100,000 for all planning obligations subject to achieving a local consent.** These additional monies are feasible due to anticipated savings arising from not contesting the application at Appeal.

For that same reason, the offer is made on a without prejudice basis, reserving our right to contest the contribution in the event an Appeal is necessary.