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9th April 2018

Ms Rachel McMurray : Senior Planning Officer
Development Management
Havant Borough Council
Public Service Plaza
Civic Centre Road
Havant
PO9 2AX

Dear Rachel,

MINOR MATERIAL AMENDMENT TO APP/17/01141/FUL APPROVED 21/12/17; THE APPROVAL IS FOR THE ERECTION OF 43 RETIREMENT APARTMENTS & RETAIL UNITS. THE PROPOSED REVISION IS FOR 46 RETIREMENT APARTMENTS & RETAIL UNITS. SITE AT 38-44 LONDON ROAD, PURBROOK

INTRODUCTION: The submitted proposal is essentially a variation of the scheme approved in December 2017 under APP/17/0114/FUL. This scheme contained 43 retirement apartments (23 x 1 bed and 20 x 2 bed).

This revised proposal is to introduce 2 x 1 bed and 1 x 2 bed units within the approved roof space. The additional roof space floor area amounts to 172.8 square metres. The accompanying CIL form includes this additional floor area.

The roof accommodation would be lit by dormers which are of the same style as those approved. The retirement accommodations would hence increase to 46 units (25 x 1 bed and 21 x 2 beds). There are also some minor revisions to the frontage elevation of the retail units.

Approved Plans Listed in Condition 2

Location Plan - SE - 2168-03-AC-001
Site Plan - SE - 2168-03-AC-200
GF plan - SE - 2168-03-AC-210 Rev G
FF plan - SE - 2168-03-AC-211
SF plan - SE - 2168-03-AC-212
Roof plan - SE - 2168-03-AC-213
Elevations north and west - SE - 2168-03-AC-220
Elevations south and east - SE - 2168-03-AC-221
Elevations - courtyard SE - 2168-03-AC-222
Proposed streetscene - SE - 2168-03-AC-225

Proposed Substitution

SO-2168-03-AC-200-Q-Site Plan & Ground Floor Plan
SO-2168-03-AC-210-K-Ground Floor Plan
SO-2168-03-AC-211-J-First Floor Plan
SO-2168-03-AC-212-H-Second Floor Plan
SO-2168-03-AC-213-G-Roof Plan
SO 2168 03 - AC 220 H Proposed Elevation 1 (S & W)
SO 2168 03- AC 221 H Proposed Elevation 2 (S & W)
SO 2168 03- AC 222 H Proposed Elevation (Courtyard)
SO 2168 03 AC 225 Streetscene

BACKGROUND CONSIDERATIONS: As indicated previously, the driver for the additional accommodation is partly due to the additional costs encountered in the “ground” and partly due to the action of the Government which in December 2017, following consultation, confirmed that measures will be put into place to set ground rents on new development at zero. It is anticipated that this would apply to flatted developments such as this, most likely at first occupation but possibly on practical completion. In this regard the viability assessment which accompanied the initial application (the appeal scheme) assumed a net ground rent income of £295,633.

Although this effective ban on ground rents has not been through Parliament, it is likely to become law within its next session (i.e. by August 2019). Given the timescale of the proposed development (work has currently ceased) to practical completion with first occupation immediately thereafter, it is possible that Ground Rents will not be chargeable to it. Already too, some lenders to residential developers are disregarding the future ground rent sale from appraisals (or put another way, will not lend, if they are included) and it therefore follows that developers themselves have to do the same.

Ground Rent is an established income for retirement housing developers and indeed provision is made for its inclusion as a Development Value in all commonly used Financial Viability (FVA) Models for affordable housing (e.g. Argus, HCeat). For this proposal, a net value of £295,633 was entered into the FVA for Ground Rent, and a figure of app. £95,000 for Affordable Housing was agreed, albeit that this was reduced on the recent application to £50,000. With the removal of Ground Rent, the figure would be negative or Nil.

As Ground Rent is also an important source of income for retirement housing developers in helping to fund communal areas and facilities so critical in a retirement development and in doing so striving to ensure that the pricing of apartments remain attractive, McCarthy and Stone along with other Retirement Housing developers is making strong representations to Government that genuine specialist retirement housing schemes should be exempted from the abolition of Ground Rents. If McCarthy & Stone and other Retirement Housing providers are successful in their argument for exemption, then the Council would continue to receive higher contributions (with Ground Rents) for affordable housing than would otherwise be the case.

Notwithstanding the ground rent point and on a without prejudice basis, McCarthy and Stone recognizes that the approved scheme does make modest contribution towards affordable housing of £50,000. Accordingly it is proposed that this figure should be increased on a pro-rata basis to reflect the creation of the 3 additional units; $\frac{£50,000}{43 \text{ units}} \times 46 \text{ units} = £53,488.30$, say **£54,000**. It is proposed that the increase sum would be incorporated into the Planning Obligation via a deed of variation in substitution of the current wording. This would of course require the consent and agreement of the LPA.

In addition, the approved scheme (17/01141/FUL) contributes £284,590.82 towards CIL. The additional floor area of 172.8 sqm may attract an additional CIL payment of approximately £18,634.75 (assuming base rate of £80 increased by 34.8% to £107.84 sqm - TBC by HBC) ie £303,225.57. If however CIL is charged at the rate prevailing at the time of the original application of £101.76 sqm, the CIL change would be £302,092.80 (ie an increase of £17,502.06),

Design/Townscape: In design terms the principal changes to the “external elevations” relates to the introduction of 2 dormers on London Roads (West elevation) and 2 dormers in Stakes Road. The changes are relatively modest and do not materially affect the design nor the townscape.

5 Year Housing Land Supply: The Council has sought to address the matter by the publication of the **Local Plan Housing Statement December 2016** (N.B it is not a DPD Document).

The document states that in terms of the potential need for new housing, the PUSH SHMA identified a need for further 11,250 within Havant and that the Council has responded by reviewing its housing land availability and by proposing the early release of sites before the prospective new Havant Local Plan 2036 is in place. But even so the Housing Statement concludes:

4.2 The Council has been extremely thorough in examining all potential land across the borough and has 'left no stone unturned' in the search for sustainable sites for development. Taking all the above potential sources into account the total potential supply from 2011-2036 is 9,517 dwellings. The Borough Council will continue to search for additional sustainable sites when formulating the new Local Plan in order to further reduce the 1,733 dwelling gap with the aim of fully meeting the objectively assessed need.

Accordingly, as summarised above, the Council cannot meet an OAN and thus the full aspects of paragraph 14 and 49 of the NPPF applies which gives added weight to the current proposals. This was referred to in the recent application at Western Avenue, Emsworth and I attach the document from Paul Sedgewick (**5 YEAR HOUSING SUPPLY STATEMENT**) for the sake of completeness.

The proposal would also continue to assist in Meeting the Needs of the Ageing Population and Other Economic Benefits. The issues were also dealt with in some detail in the **Planning Statement** which accompanied the earlier planning application. The points remains valid and pertinent in setting out the nature of the proposal, the interrelationship with various policies as well as the benefits of the proposal.

Parking: The proposed layout makes provision for 32 car parking spaces for the retirement living apartments (plus buggy-cycle store). The revisions changes the parking ratio from $32/43 = 0.74$ to 0.69 spaces per unit. It is a marginal reduction but the level of provision is well above that which would generally be provided for this type of accommodation.

Solent Special Protection Area: The applicant is willing to meet the relevant mitigation contribution for the 3 additional units. I believe the change from 1/4/18 is £337 for 1 bedroom dwelling £487 for 2 bedroom dwelling. Accordingly $(2 \times £337) + (1 \times £487) = £1,161.00$ which can be added to the current Sec 106 figure of **£7,783.00** (contribution for the extant consent has been paid)

CONCLUSION

I hope that all of the above points are clear but if additional information is required do not hesitate to contact me.

Yours sincerely

Gian Bendinelli
Principal Planning Associate