

## PLANNING DEVELOPMENT CONTROL COMMITTEE - 12<sup>th</sup> NOVEMBER 2014

### APPEAL BY McCARTHY & STONE RETIREMENT LIFESTYLES LTD.

Application number: 14/10659

**Site:** Browsewood, Gorse Cottage, Hawthorn Cottage & Tudoresque, Beaulieu Road, Dibden Purlieu, Hythe SO45 4PW

**Development:** Three-storey block of 36 retirement flats; communal facilities; parking; landscaping; demolition of existing dwellings.

**Applicant:** McCarthy & Stone Retirement Lifestyles Ltd.

#### 1. PURPOSE OF REPORT

- 1.1 An application for 36 retirement flats in Dibden Purlieu was refused in August 2014 for reasons of overdevelopment and the absence of a legal agreement to secure developer contributions. An appeal has been lodged. The appellant intends to submit a legal undertaking to pay full contributions for public open space, transport and habitat mitigation, and a partial contribution (69%) for affordable housing in light of viability considerations.
- 1.2 The purpose of this report is to seek the Committee's authority to accept the terms of the appellant's legal agreement prior to the submission of the Council's evidence for the appeal. The legal agreement would resolve the reasons for refusal relating to contributions.
- 1.3 Irrespective of any legal agreement, the development will continue to be resisted at appeal for reasons relating primarily to overdevelopment issues.

#### 2. BACKGROUND

- 2.1 On 13 August 2014 this Committee considered an application by McCarthy & Stone Retirement Lifestyles Ltd for 36 retirement flats at Beaulieu Road, Dibden Purlieu. The Committee agreed with the officers' recommendation that the application should be refused permission principally on the grounds of overdevelopment and the lack of a signed legal agreement for contributions towards affordable housing, public open space, transport and habitat mitigation measures. The applicant has now lodged an appeal against the refusal of planning permission.
- 2.2 In respect of the affordable housing contribution, Members were advised that the proposed block of 36 retirement flats would normally be expected to include 14 flats as affordable dwellings. The applicant had offered a sum of £60,680 in lieu of on-site provision having regard to the findings of their own viability report. Having considered the applicant's viability report, the Council's Valuer considered that the scheme would remain viable with either the provision of 7 affordable units on site and a contribution of £18,509; or if no units were provided on site, a contribution of £273,960. However, as the Committee found the scheme to be unacceptable

because of the size of the building, and because there was no signed legal agreement in place at the date of the committee meeting, there was no Committee resolution on whether the amount being offered by the applicant, or the principle of having a financial contribution in lieu of on-site provision of affordable housing, was acceptable.

### **3. CURRENT POSITION**

- 3.1 Following the refusal of permission, the applicant submitted further evidence to support his viability case. In light of this further evidence, the Council's Valuer now considers that the scheme would only be viable if the affordable housing contribution required by the Council was reduced from £273,960 to £190,096 (with all other contributions being paid in full) or if on-site provision was reduced from 7 units to 4 units.
- 3.2 The applicant has agreed to increase his contribution for affordable housing from £60,680 to £190,096 in lieu of on-site provision, together with payment in full of all other contributions sought. The appellant intends to submit a legal agreement (unilateral undertaking) as part of the appeal process, which would secure these contributions in the event that the appeal was allowed.
- 3.3 The applicant's reason for wishing to make a financial contribution for affordable housing rather than on-site provision is due to functional/managerial issues surrounding retirement/sheltered housing developments. It is not practical to mix "affordable retirement housing" with "open market retirement housing" within one building because of the communal facilities within retirement housing and the on-going service and maintenance arrangements which results in a weekly service charge. Housing associations are unable or unwilling to meet these charges. Conflicts are likely to arise between rented tenants and private owner-occupiers who may need to pay higher charges to subsidise the other tenants. The applicant has provided copies of appeal decisions in which Inspectors have agreed that mixing sheltered and affordable housing within the same building would result in management difficulties in respect of the communal areas and the payment of the service charge.
- 3.4 The Local Planning Authority has consistently accepted that the most effective and efficient use of affordable housing contributions for retirement/sheltered housing schemes is for a payment to be made to enable additional affordable housing provision on alternative sites or to subsidise the provision of social rented housing on sites where social rented housing cannot be achieved without public subsidy, rather than seeking on-site provision.

### **4. ASSESSMENT**

- 4.1 Policy CS15 of the Core Strategy (Local Plan Part 1) allows for a reduction in affordable housing provision where this is supported by a site specific economic viability assessment. The appellant's revised offer of £190,096 amounts to some 69% of the full rate for off-site provision and this is supported by a viability assessment which is now accepted by the Council's Valuer, in light of recently submitted further information on marketing costs. Moreover, the reason for the appellant seeking to make a financial contribution towards affordable housing, in lieu of the on-site provision of units, is accepted by your officers as valid and is an approach that the Council has accepted previously on applications for retirement developments.

4.2 If the Committee accepts the recommendation, then subject to the appellant submitting a satisfactory unilateral undertaking to the Inspector with the revised figure for affordable housing, together with full contributions for the other matters, it is recommended that the appellant's contributions be accepted and that no evidence will be presented in respect of the reasons for refusal which relate to contributions. However, evidence will be given in support of the unresolved objections to the scheme.

## **5. CRIME AND DISORDER, ENVIRONMENTAL AND EQUALITY IMPLICATIONS**

None.

## **6. RECOMMENDATION**

It is recommended that:

The Local Planning Authority advises the Planning Inspector that it is satisfied that the submission of an unilateral undertaking which secures the contributions set out below will overcome the reasons for refusal numbered 3, 4, 5 & 6 on decision notice reference 14/10659 dated 14 August 2014.

i)	Affordable housing contribution;	£190,096
ii)	Public open space contribution:	£46,732
iii)	Transport infrastructure contribution:	£23,230
iv)	Habitat mitigation contribution:	£72,700

### **For further information contact:**

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### **Background Papers:**

Planning application file 14/10659



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**Planning Development  
Control Committee**  
**November 2014**

**B Report**

Browsewood, Tudoresque  
Gorse & Hawthorn Cottages  
Beaulieu Road Dibden  
App No 14/10659  
SU4106

Scale 1:1250

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