

Supplementary information provided by Head of Planning Applications Group 8th April 2014

As you will be aware from paragraph 7 of the Bowles Lodge report (D4) that the extra care projects are part of the Council's Excellent Homes for Life Housing Project (the Care Home Project) which is dependent upon Central Government funding. Bowles Lodge and Little Hill (item D3) are the remaining 2 out of 7 planning applications to be determined by the County Planning Authority.

Since drafting the Committee report I have received (on 7th April 2014) further information from the applicant which draws attention to the implications for the Care Home Project as a whole (i.e. the 7 developments) should a decision not be taken on the planning applications today.

The applicant advises:

- That deferring consideration may lead to a serious risk that Central Government DCLG will not continue to support the project and the funding could be lost; Central Government has approved £63.8 million of funding for the Care Home Project provided that it is delivered as a whole.
- There is a potential for the [Care Home] project as a whole to become financially unviable: -
 - due to increases in costs – construction price inflation, and development costs (increases could be hundreds of thousands per month); and
 - funding terms or swap rates may increase beyond the amount currently anticipated and further affect the cost of the project.

Furthermore, the applicant has also advised that if it loses a site completely they would not be able to [financially] close by the end of May 2014 and would have to re-configure the Project and its financing.

In addition: -

- The bidder would have to rerun their financial model to take into account revised capital costs, lifecycle, maintenance and income streams from rents etc). They would then have to open talks with the bank about the viability of the project and possibly revised funding terms;
- The delay would potentially increase capital costs (construction costs are going up);
- Swap rates are rising and this will impact on affordability;

Item D4 Extra Care Building containing 48 flats and associated communal facilities at Bowles Lodge, All Saints Road, Hawkhurst KCC/TW/0381/2013 (TW13/03828)

- The loss of a site would have an impact on the economies of scale and increase costs;
- It would have to resubmit its request for funding and produce a new business case for Treasury approval (this would definitely delay the project).

This introduces a new material planning consideration which is not directly covered in your papers.

In 2012 the Town and Country Planning Act 1990 (the Act) was amended (by the Localism Act 2011). The primary legislation was amended so as to include a provision for a local planning authority, in dealing with an application for planning permission to have regard to any "local finance considerations" so far as material to the application.

As amended section 70(2) the Act states that in dealing with such an application the authority shall have regard [to—] ¹

- (a) the provisions of the development plan, so far as material to the application,
- (b) any local finance considerations, so far as material to the application, and**
- (c) any other material considerations.**

Section 70(4) of the Act clarifies the fact that "local finance consideration" means a grant or other financial assistance that has been, or will or could be, provided to a relevant authority by a Minister of the Crown. **As the potential funding is coming from the DCLG this is sufficient to come within the definition of local finance consideration for the purposes of the Act.**

So the potential risk of the loss of funding and consequences that flows from this i.e. the loss of 238 care home units across the County is a material consideration and the Act requires that you shall have regard to this in your determination of this care home application. The weight that you choose to give to this material consideration is a matter for you as the decision maker.

In addition, the potential loss of the Care Home project would be contrary to the social objectives of the NPPF (which is also a material consideration) which seeks to provide housing to meet community needs and to support its health, social and cultural wellbeing objectives - one of the 3 key roles to achieving sustainable development.

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