

I refer to the proposal to introduce CIL payments in North Somerset, to which we have an objection.

I am writing on behalf of Housing and Care 21 one of the leading affordable housing providers of older persons housing in England, working across many different local authorities. Our model is to provide housing for older person of modest means. Over recent years the development funding of extra care schemes has become a challenge, with the reduction of Homes and Communities Agency funding, (which has reduced from about £60k per unit in around 2008 to about £24k per unit under the last grant regime). This combined with Government caps on Local Housing Allowance for rents, which we adhere to in our rent setting and capitalise over 50 years to raise development funding, as well as the reduction in rent increases and the rising build and land costs has meant developing new extra care schemes is challenging.

The affordable housing sectors response to this in line with Government thinking is to use more of our asset and to include more shared ownership and outright sale units in new developments, effectively the sales units are subsidising the affordable rented units in the financial appraisal to make a viable scheme. Without this scenario new developments would not happen, unless either the HCA or the local authority put more grant subsidy into the building of new homes.

The benefits of extra care housing has been well documented; including improving the well being of the residents who live in the scheme, the financial savings to the Council as it can result in a reduction of care costs, on average the cost of a weeks care in a residential care home is between £600 - £900 per week, in extra care this figure is likely to be around £300 - £400, and in addition our extra care schemes already provide a range of community facilities like a restaurant, well being suite and a hair salon, all these are open to the general public. Finally extra care has the double benefit of freeing up much needed family housing as many of the new residents moving into our schemes are coming from existing social housing in the area.

Therefore as a Registered Provider who already has developed an extra care scheme in Worle and looking to develop a further scheme in Yatton, which we have bid for funds from the HCA, the introduction of the CIL payment may make new developments even more difficult to make financially viable. We would very much like to continue working in North Somerset in the future, but if we cannot make the schemes financially viable because of the impact of CIL it may result in our investment going elsewhere. As I outlined in the first paragraph we work in many local authorities and this is the first time we have faced the possibility of having to pay a CIL charge. On this basis I ask North Somerset to reconsider the proposal for its introduction on extra care.