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Via email: planningpolicy@Shropshire.gov.uk.

11th June 2024

Dear Sir / Madam

McCARTHY STONE RESPONSE TO THE DOCUMENT 'GC25: THE NEWLY PROPOSED DRAFT POLICY ON HOUSING PROVISION FOR OLDER PEOPLE AND THOSE WITH DISABILITIES AND SPECIAL NEEDS AND ITS EXPLANATION'

Thank you for the opportunity to comment on the document entitled 'GC25: The newly proposed draft policy on Housing Provision for Older People and those with Disabilities and Special Needs and its explanation'. McCarthy Stone is the leading provider of specialist housing for older people in the UK. Please find below our comments on the consultation which focusses on older person's housing.

Plan Making

Notwithstanding our concerns with regard to specific elements of draft policy GC25 discussed below, initially given the requirement of the NPPF at paragraph 15 and 16 d and f that requires plans to be succinct and written in a positive way, that meets housing needs and to contain policies that are clearly written and unambiguous and serve a clear purpose, avoiding unnecessary duplication we feel that draft policy GC25 should be reconsidered. As currently written, it is far too long and could be cut down substantially. The Council could consider moving a large amount of the text out of the policy and into supporting paragraphs for example.

Paragraphs 1 and 8

The Council appear to be promoting, through point 1 and 8 a of draft policy GC25, to meet the housing needs of older people predominantly through promoting housing that allows people to live as independently as possible. Although point 8 makes it clear that this also includes specialist housing for older people, within paragraph 1 it is not clear what this represents and could be perceived as conventional housing that is designed to be adaptable. Whilst we acknowledge that PPG *Paragraph 003 Reference ID: 63-003-20190626* recognises that: *"the health and lifestyles of older people will differ greatly, as will their housing needs, which can range from accessible and adaptable general needs housing to specialist housing with high levels of care and support"*, given the need for specialist older persons housing identified within the Shropshire Council Strategic Housing Market Assessment Report, Part 2, 2020, table 63, that includes the need for 3,063 units of sheltered / retirement living housing and 410 units of extra care housing, McCarthy Stone is very concerned with the approach. We are firmly of the view that ensuring that residents have the ability to stay in their homes for longer is not, by itself, an appropriate manner of meeting the housing needs of older people. This could be made clearer by combining and cutting down paragraph 1 and 8 of the policy and making sure the policy is clear in its support for specialist housing for older people.

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Paragraphs 2 and 7

Paragraphs 2 and 7 are requesting that all specialist housing for older people be built to M4 (3) standards of the building regulations, however this requirement is not sound as the requirement is not justified. There is no evidence provided by the Council that shows that 100% of older person's housing needs to be built to M4(3) standards and no viability evidence provided that assesses older persons housing with the additional costs that M4(3) housing entails. M4(3) Housing has a large cost implication and will serve to reduce the number of dwellings that can be delivered on a site, affecting affordability and further reduce viability. Given the additional large cost of M4(3) such a requirement will have a negative impact on delivering the substantial amount of specialist housing for older people required. It is therefore contrary to para 35 of the NPPF and not consistent with national policy.

Our response to Matter 8 – Infrastructure and Delivery, Monitoring and viability already highlighted our concern with the fact that 'no viability appraisals were undertaken for specialist older persons' housing typologies – namely Sheltered Housing and Extra Care accommodation and that this is contrary to both best practice and the typology approach detailed in Paragraph: 004 (Reference ID: 10-004-20190509) of the PPG which states that. *"A typology approach is a process plan-makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period.* In addition, our responses to the regulation 19 consultation highlighted our concerns with policy DP1 bullet 4 that had a similar M4 (3) requirement for specialist housing.

The Council are clearly aware of the increased emphasis on Local Plan viability testing in Paragraph 58 of the NPPF and that the PPG states that *"The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan"* (Paragraph: 002 Reference ID: 10-002-20190509). However, the Council should note that the viability of specialist older persons' housing is more finely balanced than 'general needs' housing and we are strongly of the view that the older person's housing typologies should have been robustly assessed separately within the Local Plan Delivery and Viability Study, HDH, July 2020 (Viability Study) that informed plan and this should have tested the relevant affordable housing requirements and other policy costs including M4 (3) housing. This would accord with the typology approach detailed in Paragraph: 004 (Reference ID: 10-004-20190509) of the PPG. If this is not done, the delivery of much needed specialist housing for older people may be significantly delayed with protracted discussion about policy areas that affect viability which are wholly inappropriate when considering such housing need.

The PPG on Housing for older and disabled people considers if plan making bodies should set minimum requirements for accessible housing and at Paragraph: 009 Reference ID: 63-009-20190626 confirms that *'Where an identified need exists, plans are expected to make use of the optional technical housing standards (footnote 46 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing'*. The same paragraph then confirms that *'Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site-specific factors'*.

As discussed above, the Council has not tested the specialist housing for older people and a separate typology and then has not tested the policy requirement of older persons housing, or any type of housing, to deliver 100% M4 (3) housing within the Viability Study. The Viability Study has only considered incorporating 10% dwellings to M4(3). This appears to be at a cost of £65,500 / hectare (para 10.28). Notwithstanding the fact that the Council need to test specialist housing for older people for viability and include the cost for 100% M4 (3) housing within this to support any policy requirement, we have concerns with regard to the limited cost that has been put towards the additional cost of M4 (3) housing. Older persons' housing schemes are often delivered on smaller brownfield sites of around

0.5 hectares, that are well located close to town centres and consist of flatted developments of 1 and 2 bedroom apartments or around 50 sheltered housing units on such a site. Using a cost of £65,000 per hectares this would imply a cost per apartment of around £650 per apartment. This is substantially less than the actual cost of delivering a M4 (3) compliant unit.

In any assessment of viability of an older persons housing scheme we would direct the Council towards the Retirement Housing Consortium paper entitled 'A briefing note on viability' prepared for Retirement Housing Group by Three Dragons, May 2013 (updated February 2016 ('RHG Briefing Note') available from <https://retirementhousinggroup.com/rhg/wp-content/uploads/2017/01/CIL-viability-appraisal-issues-RHG-February-2016.pdf>. The RHG Briefing Note establishes how sheltered housing and extra care development differs from mainstream housing and looks at the key variables and assumptions that can affect the viability of specialist housing for older people. These key variables include unit size, unit numbers and GIA, non-saleable communal space, empty property costs, external build cost, sales values, build costs, marketing costs and sales periods. The RHG Briefing Note is being updated and indeed we are informing that process. This update is needed given the changed circumstances since 2016. Given the introduction of M4 (3) housing this note considers M4 (3) housing and recommends that M4(3) requirement includes a prompt with regard to the additional costs for M4 (3) housing and notes this includes costs for fixtures and fittings, services and controls, additional room dimensions and layout which include up to 30% more floorspace and corresponding reduction in density, sales values and affordability of such housing. While some value may be secured for larger units this is unlikely to mitigate the overall loss of units across the proposal as a result of the requirement.

As such we note that other Council's more recent viability studies have including costs for M4(3) housing. This ranges from £10,000 per unit to £14,000 per unit (for example South Kesteven Viability Study, HDH, 2024, London Borough of Enfield Viability Study, HDH and Horsham Viability Study, Dixon Searle) and shows the recognition in the industry of the additional cost that such a requirement brings. This would result in additional costs of between £500,000 to £700,000 per 50-unit scheme. This is substantially more than the £650 per unit included within the Shropshire Viability Study and identifies why the requirement cannot be included within the Local Plan without additional viability work being produced to support the plan.

A supportive local planning policy framework will be crucial in increasing the delivery of specialist older persons' housing and it should be acknowledged that although adaptable housing can assist it does not remove the need for specific older person's housing. If 100% M4(3) housing was required, this would impact upon the viability of specialist housing for older people and be likely to prevent delivery. The policy requirement for asking for all specialist housing for older people to meet M4 (3) standards is therefore not justified, or supported by evidence of viability and should be deleted.

Paragraph 9

Paragraph 9 of the policy requires that '*All specialist housing provision will integrate into rather than be apart (gated-off) from existing and new communities, recognising the social and sustainability benefits of multi generational and inclusive communities*'. As discussed above specialist housing for older people tend to be well located close to town centres or facilities within local centres and consist of flatted developments of 1 and 2 bedroom apartments or around 50 sheltered housing units on such a site. Such schemes contain communal areas, including gardens and these need to have some separation and security. We would therefore recommend that the words '*gated-off*' is removed from paragraph 9 as this could create an unrealistic expectation.

Paragraph 11

Paragraph 11 requires specialist housing to consider *'opportunities to provide appropriate key worker accommodation for any associated care staff'*. The Council should note that all McCarthy & Stone sheltered and extra-care housing has appropriate facilities for staff including over-night accommodation where appropriate, however providing key worker accommodation would provide an additional cost that if required should also be included within a viability study.

Paragraph 15-17

Para 15 to 17 requires a proportion of up to 20% of housing on sites to be suitable and include specialist housing for older people. We would question if this is actually deliverable.

Paragraph 18

We also note that the policy seeks proposals for older persons housing to provide affordable housing in line with policy DP4. We object to this requirement and have provided our justification in our Matter 8 hearing statement. In summary, our response to Matter 8 – Infrastructure and Delivery, Monitoring and viability highlighted our concern with the fact that *'no viability appraisals were undertaken for specialist older persons' housing typologies – namely Sheltered Housing and Extra Care accommodation and that this is contrary to both best practice and the typology approach detailed in Paragraph: 004 (Reference ID: 10-004-20190509) of the PPG which states that. "A typology approach is a process plan-makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period.*

The viability of specialist housing for older people is more finely balanced than *'general needs' housing* and we are strongly of the view that these housing typologies should have been robustly assessed through the Council's Viability Study and if specialist housing for older people was not found to be as viable as mainstream housing, then a different affordable housing and CIL rate should be set. If the Council had done this, this would have accorded with the typology approach detailed in Paragraph: 004 (Reference ID: 10-004-20190509) of the PPG'. If older persons housing is not assessed for viability as its own separate typology the delivery of much needed specialised housing for older people may be significantly delayed with protracted discussion about policy requirements including affordable housing and M4 (3) housing which are wholly inappropriate when considering the older persons' housing need.

Recommendation:

As such we recommend that the Council refresh the Viability Study that includes the sheltered and extra care housing typologies. This should be undertaken in accordance with the RHG briefing note, discussed above in our response to para 8. If sheltered housing is found to not be as viable a separate affordable housing rate should be set together with the removal of the requirement for 100% M4 (3) housing requirement.

Thank you for the opportunity for comment. We would also wish to attend the Examination hearing sessions to ensure that the older persons housing policy is sound.

Yours faithfully

N. Styles

Natasha Styles
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