

**Part B: Your Response**

Please complete a separate **Part B form** for each response that you wish to make. One **Part A form** must be enclosed with your **Part B form(s)**.

To assist in making a response, separate **Guidance** is available on the Council's website.

Responses should be returned by **5:00pm on Tuesday 11th June 2024**.

Name and Organisation:	
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**Q1. To which document(s) does this response relate?**

<b>a. Draft policy on Housing Provision for Older People and those with Disabilities and Special Needs and its explanation.</b>	
<b>b. Updated Additional Sustainability Appraisal of the Draft Shropshire Local Plan Report.</b>	
<b>c. Updated Housing and Employment Topic Paper.</b>	
<b>d. Updated Green Belt Topic Paper.</b>	

**Q2. To which paragraph(s) of the document(s) does this response relate?**

Paragraph(s):

**Q3. Do you consider the document(s) are:**

- |                      |      |     |
|----------------------|------|-----|
| A. Legally compliant | Yes: | No: |
| B. Sound             | Yes: | No: |

**Q4. Please detail your comments on the specified document(s).**

**Please be as precise as possible.**

*(Please continue on a separate sheet if necessary)*

***Please succinctly provide all necessary evidence and information to support your response. After this stage, further submissions may only be made if invited by the Planning Inspectors, based on the matters and issues identified for examination.***

**Q5. Do you consider it necessary to participate in relevant examination hearing session(s)?**

*Please note: This response provides an initial indication of your wish to participate in relevant hearing session(s). You may be asked to confirm your request to participate.*

No, I do not wish to/consider it necessary to participate in hearing session(s)

Yes, I consider it is necessary/wish to participate in hearing session(s)

*The Inspectors will determine the most appropriate procedure to consider comments made during this consultation.*

10 June 2024  
**Delivered by email**

Planning Policy  
Shropshire Council  
PO BOX 4826  
Shrewsbury  
SY1 9LJ

Dear Sir/Madam,

### **Shropshire Local Plan Examination - April-June 2024 Consultation**

I am writing on behalf of Redrow in relation to the April-June 2024 consultation and provide representations in respect of 'GC25: The newly proposed draft policy on Housing Provision for Older People and those with Disabilities and Special Needs and its explanation'.

This should be read in conjunction with the Older Person Housing Need Policy Rebuttal Briefing Note, prepared by Lichfields and which is appended to this letter.

These representations demonstrate that the proposed approach set out in GC25 is not sound as it is not 'justified', 'effective' or 'consistent with national policy'.

### **Background**

Policy DP1 of the Pre-Submission Draft of the Shropshire Local Plan relates to 'Residential Mix' and includes reference to meeting the needs of older persons and specialist housing at part 6 of the Policy. The requirement to provide an "appropriate range" of specialist housing is triggered by proposals of 50 dwellings or more.

The supporting text at Paragraph 4.41, notes that *"it is considered appropriate to ensure that larger development sites include specialist housing designed to meet the diverse needs of older people, whilst also providing flexibility about types and levels of such accommodation to respond to site specific circumstances"*.

However, the Inspector's Interim Findings Letter (ID28) highlighted at Paragraph 40 that, in respect of specialist housing for older people, *"the policy should include indicative figures, or the Plan should contain a specific policy to deal with specialist housing"*.

Consequently, Shropshire Council has proposed to replace the older persons housing requirements set out in Policy DP1 with a tiered approach to the delivery of such housing. Tiers of 50-149 dwellings; 150-249 dwellings; and 250 or more dwellings are proposed with an increasing percentage requirement.

## Older Persons Housing Needs

The draft Policy is underpinned by the SHMA published in September 2020, which identifies a need for an additional 3,500 specialist older persons accommodation units and around 2,500 additional units of residential care provision. This calculation was based on the 2014 Sub-National Population Projections [SNPP] for the population aged over 75, and the prevalence rates of specialist accommodation within Shropshire.

However, seeking to provide specialist accommodation for all of these future persons aged over 75 and in need of care fails to acknowledge that not all of these people will choose specialist accommodation to meet their needs and that there may be a desire for older people, where possible, to remain independent within their own homes. This allows people to remain within their existing communities and with access to their established support networks. It is reasons such as these that older households are amongst the least likely to move.

In this regard, it is noted that the draft Policy also requires 5% of dwellings on sites over 5 dwellings to be provided as M4(3) and 70% as M4(2) (Part 4) and that it is 'strongly encouraged' that all M4(2) dwellings are designed to be 'friendly' to those with dementia and to those with disabilities and special needs (Part 6). In this context, it would be more appropriate to focus on the delivery of adaptable types of dwellings in order to address older persons and specialist housing needs over the plan period. This would be preferable to a focus only on specialist forms of housing that may not be attractive to all people aged over 75 years.

## Viability

Paragraph 68 of the NPPF (2021) requires that Local Plans should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Paragraph 34 also requires that contributions should not undermine the deliverability of the Local Plan. Viability is therefore a major factor in whether a site is achievable and developable, and the PPG requires a plan-making body to assess the economic viability of a site, and the capacity of the developer to complete and let or sell the development over a certain period<sup>1</sup>. As such, any Local Plan should be supported by a viability assessment, which cumulatively tests the impact of policy requirements on the viability of sites allocated in the Local Plan Review. This should include the implications of the provision of older persons and specialist accommodation, given that the amount of land available for market housing will naturally be reduced.

Once other requirements are considered, such as 5% being M4(3) and 70% being M4(2), 10-20% affordable housing, biodiversity net gain, on-site energy generation or decentralised energy and electric vehicle charging, lower levels of market housing could reduce the viability of development and threaten the delivery of other policy requirements.

The Pre-Submission Draft Local Plan is supported by a Local Plan Delivery & Viability Study (June 2020) ("Viability Study"). Crucially, the Viability Study only assessed the impact of requiring 'all new homes to be designed to be accessible and adaptable dwellings', and '10% of housing to be wheelchair adaptable dwellings', and specifically didn't test viability of sheltered and extra care schemes. Furthermore, our Matter 8 Hearing Statement, submitted on behalf of Redrow highlighted that the Viability Study concludes that the viability of development across the county is very challenging. Redrow are of the view that the benchmark

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<sup>1</sup> Paragraph: 020 Reference ID: 3-020-20190722

land values set within Viability Study are extremely low and that the Study shows that the majority of schemes can only support 10% affordable homes, but not 20%.

On this basis, the Viability Study, has not fully considered whether the provision of older persons and specialist accommodation would undermine the deliverability of the Local Plan and there is no stated intention that this will be updated to do so. The Policy is therefore not sound.

### **Tiered Approach**

As noted above, Shropshire Council proposes to replace the older persons housing requirements set out in Policy DP1 with a tiered approach to the delivery of such housing. However, it is fundamentally unclear what evidence has been produced to substantiate the tiers and the increasing percentage requirement and show that these contributions will be deliverable.

For the lower tier (50-149 dwellings), a 10% specialist older persons housing requirement would only generate between 5 and 15 units of specialist accommodation. However, it is unlikely that operators would be willing to operate specialist housing schemes of this scale, which would undermine future delivery and supply. Such developments need to be of sufficient scale in order to justify the provision of facilities to meet the expected level of care.

Whilst the middle tier of 150-249 homes could generate between 23 and 37 units of specialist accommodation, as a minimum, this would still be at the lower end of operators likely demands, particularly in respect of more intensive care facilities. Redrow therefore questions whether this would provide sufficient economies of scale for market-led delivery. The proposed policy is therefore not sound by reason of not being justified.

### **Summary**

The Inspectors Interim Findings highlighted that the proposed approach to meeting the needs of older person households and those in need of specialist care needed further consideration. However, Shropshire Council have proposed amendments which are not proportionate with little to no justification or supporting evidence. Crucially, the suggested approach seeks to ensure every allocation contributes to meeting needs, irrespective of whether the site is an appropriate location for older persons and specialist accommodation, with access to existing services and facilities, or are of a scale to deliver on-site services and facilities.

On the basis of the above, it is considered that the draft Policy is not 'justified', 'effective' or 'consistent with national policy' and is therefore unsound.

Yours faithfully

Mike O'Brien  
**Director**

mike@pinnacleplanning.co.uk

Enc. Older Person Housing Need Policy Rebuttal Briefing Note

## Briefing Note

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**Our ref** 67141/01/JK/MWS  
**Date** 3 August 2023  
**To** Redrow Homes Limited  
**From** Lichfields

### Subject Older Person Housing Need Policy Rebuttal

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#### 1.0 Introduction

- 1.1 This Briefing Note has been prepared by Lichfields, on behalf of Redrow Homes Limited (“Redrow”), to demonstrate that Shropshire Council’s (“the Council”) proposed approach to the delivery of older persons and specialist accommodation set out within the Main Modifications [MM] draft Policy of the Draft Shropshire Local Plan (2016 – 2038) (“the Local Plan”) is not *‘justified’*, *‘effective’* or *‘consistent with national policy’* and is therefore unsound.
- 1.2 The Briefing Note has been prepared to support Redrow’s representations to the Council’s MM consultation to demonstrate that the Council should amend its proposed approach to ensure that the Local Plan is consistent with the National Planning Policy Framework (2021) [NPPF] and Planning Practice Guidance [PPG].

#### 2.0 The Council’s Approach to Delivering Older Persons and Specialist Housing

- 2.1 As a part of the Draft Local Plan submitted for Examination in Public to the Secretary of State for examination on 3 September 2021, to meet older persons and specialist housing needs, part 6 of draft Policy DP1 (Residential Mix) required:
- “6. On sites of 50 or more dwellings:*
- a. An appropriate range of specialist housing designed to meet the diverse needs of older people, such as: age-restricted general market housing; retirement living or sheltered housing; extra care housing or housing-with-care; and/or residential care homes and nursing homes will be provided.*
- b. An appropriate range of specialist dwellings to meet the needs of those with disabilities and special needs will be provided. (Emphasis Added)*
- 2.2 The supporting text highlighted that the Council’s Strategic Housing Market Assessment Report (November 2020) [SHMA] projected a significant growth in older person, with a need for *“an additional 3,500 specialist older persons accommodation units and around 2,500 additional units of residential care provision”* (Para 4.40). It also considered that this need justified a policy approach which ensured that *“larger development sites include specialist housing designed to meet the diverse needs of older people, whilst also providing*

*flexibility about types and levels of such accommodation to respond to site specific circumstances” (Para 4.41).*

2.3 However, further to the Hearings, the Interim findings of the Inspector (ID28) (15th February 2023) expressed concerns about this policy approach, noting that:

*“40. Whilst the PPG advises that Council’s ‘could’ provide indicative figures, we consider that as there is clear evidence of a higher-than-average need for such accommodation in this particular instance, either the policy should include **indicative figures**, or the Plan should contain **a specific policy** to deal with specialist housing.*

*41. Also, neither this Plan, nor the SAMDev plan appear to make any provision for this sector of the community, by **allocating land for specialist housing** or requiring it to be **provided in some of the larger allocations**. This would be another positive way in which the Council could address this matter. Please can the Council give some further consideration to this important matter.” (Emphasis Added)*

2.4 Consequently, the Council has proposed a series of MM to remedy several concerns raised by the Inspector (GC24). Notably, the Council now includes a new policy (Draft DP Policy: Housing Provision for Older People and those with Disabilities and Special Needs), which appears to replace the older persons housing requirements set out originally in Policy DP1 (Residential Mix). Notably, this draft policy also markedly changes the proposed policy-approach to a tiered and structured approach to the delivery of such housing on major development sites in parts 15 to 17 of the draft policy – set out below:

*“15. On site allocations for 250 or more dwellings and all development sites for 250 or more dwellings (irrespective of whether such sites are brought forward through a series of phases or planning permissions), at least 20% of houses must constitute a form of specialist housing for older people and/or those with disabilities and special needs documented within Paragraph 8 of this Policy.*

*16. On site allocations for 150-249 dwellings and all development sites for 150-249 dwellings (irrespective of whether such sites are brought forward through a series of phases or planning permissions), at least 15% of houses must constitute a form of specialist housing for older people and/or those with disabilities and special needs documented within Paragraph 8 of this Policy. At the lower end of this category, it is likely that this provision will consist of age-restricted housing or retirement/sheltered housing in the form of apartments or a small group of bungalows which can be delivered in smaller numbers, as they generally have lower operational and staffing costs and requirements.*

*17. On site allocations for 50-149 dwellings and all development sites for 50-149 dwellings (irrespective of whether such sites are brought forward through a series of phases or planning permissions), at least 10% of houses must constitute a form of specialist housing for older people and/or those with disabilities and special needs documented within Paragraph 8 of this Policy. It is likely that this provision will consist of age-restricted housing or retirement/sheltered housing in the form of apartments or a small group of bungalows which can be delivered in smaller numbers as they generally have lower operational and staffing costs and requirements.”*

- 2.5 The above is in addition to a requirement for certain proportions of dwellings proposed on sites over five dwellings being built to either M4(2) or M4(3) Building Regulations standards:

*“3. On sites of 5 or more dwellings, at least 5% of the dwellings will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations and a further 70% of the dwellings will be built to the M4(2) (accessible and adaptable dwellings) or higher standard within Building Regulations, unless site-specific factors indicate that step-free access cannot be achieved.”*

## 3.0 Planning Policy and Guidance

### National Planning Policy Framework (2021)

- 3.1 In terms of delivering a sufficient supply of homes, the NPPF states that:

*“To support the Government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.” (NPPF para 60) (Emphasis Added)*

*“..., the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).” (NPPF para 62) (Emphasis Added)*

- 3.2 The NPPF glossary sets out the definition of ‘older people’ as those who are:

*“...over or approaching retirement age, including the active, newly-retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.” (NPPF Glossary)*

- 3.3 The NPPF is also clear that all policies should be “*underpinned by relevant and up-to-date evidence*”, and “*should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned.*” It also goes on to state that Local Plans should have regard to the economic viability of sites (Para 68) and that contributions should not undermine the deliverability of the Local Plan (Para 34).



## Planning Practice Guidance

- 3.4 The PPG sets out the different types of specialist housing for older people (ID:63-010), ranging from age-restricted retirement housing to residential care and nursing homes. Specific guidance in the PPG is given on assessing the housing needs of older people, which highlights the importance of planning for these needs:
- “The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking.”* (ID 63-001) (Emphasis Added)
- 3.5 The PPG guidance on housing for older and disabled people also sets out why it is important to plan for such needs:
- “The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in helping them to live safe and independent lives. Unsuitable or unadapted housing can have a negative impact on disabled people and their carers. It can lead to mobility problems inside and outside the home, poorer mental health and a lack of employment opportunities. Providing suitable housing can enable disabled people to live more independently and safely, with greater choice and control over their lives. Without accessible and adaptable housing, disabled people risk facing discrimination and disadvantage in housing. An ageing population will see the numbers of disabled people continuing to increase and it is important we plan early to meet their needs throughout their lifetime.”* (ID: 63-002) (Emphasis Added)
- 3.6 The PPG recognises that the needs of elderly people will be wide ranging, setting out 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. For planmaking purposes, strategic policy-making authorities will need to determine the needs of people who will be approaching or reaching retirement over the plan period, as well as the existing population of older people... To enable disabled people to live more safely and independently, local planning authorities will need to consider their variety of needs in both plan-making and decision-taking.”* (ID: 63-003) (Emphasis Added)
- 3.7 With regard to plan-making, the PPG sets out how the housing requirements of specific groups – such as older people – can be addressed in plans:

*“Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people. These policies can set out how the plan-making authority will consider proposals for the different types of housing that these groups are likely to require. They could also provide indicative figures or a range for the number of units of specialist housing for older people needed across the plan area throughout the plan period.” (PPG ID 63-006) (Emphasis Added)*

3.8 The PPG provides further commentary on this at ID: 63-012 which sets out:

*“Do plans need to make specific provision for specialist housing for older people?”*

*Plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate.*

*Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Plan-makers will therefore need to identify the role that general housing may play as part of their assessment.*

*Plan-makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish.” (emphasis added)*

3.9 Whilst the PPG does not explicitly set out that plan-makers must allocate sites for specialist housing, it does set out that:

*“...Allocating sites can provide greater certainty for developers and encourage the provision of sites in suitable locations. This may be appropriate where there is an identified unmet need for specialist housing. The location of housing is a key consideration for older people who may be considering whether to move (including moving to more suitable forms of accommodation). Factors to consider include the proximity of sites to good public transport, local amenities, health services and town centres.*

*In the context of national trends of ageing, the importance of catering sufficiently for the needs and demands of elderly households is clearly given specific attention in national policy and guidance.” (PPG ID: 63-013)*

3.10 Overall, it is clear that the PPG expects plans to respond to the needs of the elderly population, where such a need exists. Whilst it does not mandate the allocation of sites to meet needs in full, the PPG does expect plans to ‘provide’ for such needs; albeit, not in full.

## **4.0 An Unsound Approach**

4.1 Whilst the principle of addressing the housing needs of older persons and those in need of specialist housing is supported and is broadly consistent with the NPPF and PPG, a based on a review of the Council’s proposed approach to addressing the older persons and specialist housing set out in the MM draft Policy it is considered that the Council’s currently proposed approach is ‘unjustified’, ‘not effective’ and ‘not sound’ for the following reasons:

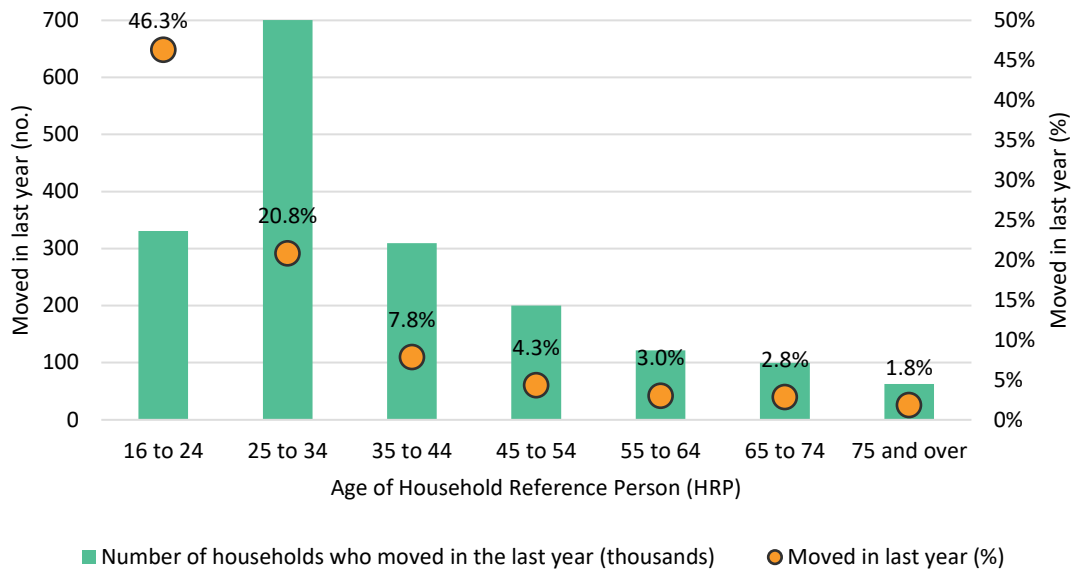
## 1. Older Persons Housing Needs

- 4.2 Ultimately, the draft Policy is underpinned by the SHMA published in September 2020. The SHMA identified that there is a higher proportion of older people living in Shropshire than the national average, which will increase further up to 2038. It went on to identify a need for an additional 3,500 specialist older persons accommodation units and around 2,500 additional units of residential care provision in order to maintain current prevalence rates (this being the amount of specialist houses for older people compared to the number of older people).
- 4.3 This calculation was based on the 2014 Sub-National Population Projections [SNPP] for the population aged over 75, and the prevalence rates of specialist accommodation within Shropshire (i.e., the number of bedspaces and units as proportion per 1,000 people of the population in 2018, as of the 2017 Mid-Year Population Estimates), based on the statistics published by the EAC.<sup>1</sup> The EAC data showed that, across Shropshire, there were around 7,605 units of specialist older persons accommodation. In essence, and as acknowledged by the SHMA, this calculation assumes that *“the current prevalence rates will continue over the plan period 2016-2038.”* (Para 6.75).
- 4.4 However, seeking to provide specialist accommodation for all of these future persons aged over 75 and in need of care ignores the fact that not all of these people will choose specialist accommodation to meet their needs. Indeed, a key principle of the Council’s ‘People’s Strategy for Shropshire’ is to enable, wherever possible, older people to remain independent within their own homes, within their existing communities and with access to their established support networks.
- 4.5 In this context, the age profile of households across Shropshire shows that only 3% of couples aged 65+ households occupy 1-bed dwellings as of the 2021 Census, whereas 75% of this group lives in households with 3 or more bedrooms. This broadly reflects the character of the housing stock which is largely focused on larger dwellings with 3 or more bedrooms (68%). It also reflects preferences amongst older households to remain in the family home and retain additional space (i.e. bedrooms) for health reasons, storage, hobbies, guests/family, carers or for other reasons. In particular, as of 2021, 51% of single-person households aged 65+ have 2 spare rooms, and 74% of couple households aged 65+ have 2 spare rooms, which is a higher rate than the national average (46% and 72% respectively).
- 4.6 Indeed, in addition to being amongst the most significant under-occupiers of housing, older households are amongst the least likely to move. As shown in Figure 4.1, the likelihood of moving home decreases with age. The latest English Housing Survey (EHS) shows that the likelihood of moving each year is 46.3% for those aged 16 to 24, reducing to less than 2% for those aged 75 and over. For those aged 65 and over, the rate at which they are likely to move has remained steady over time, at around 1-3%.

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<sup>1</sup> Available at: [www.housingcare.org](http://www.housingcare.org)

Figure 4.1 Proportion of households who moved in the last year (2019/20) by age of Household Reference Person (HRP)



Source: Lichfields based on the English Housing Survey (EHS) 2019/20 (Table FA4121).

4.7 The decision on whether to move in old age is complex and affected by a wide range of personal and wider factors. In the housing market, older households are amongst the least active; this could be because of a lack of attractive options for rightsizing but is also likely to be (at least in part) because older households are the most satisfied out of any groups with their current accommodation<sup>2</sup>. Older households may prefer to remain in their existing home for sentimental reasons and/or if adaptations can be made to make it suitable for their changing needs. They may prefer to remain in mixed communities or in an area that is familiar to them, which might also mean living close to family/friends. The costs (emotional and financial) associated with moving might also be off-putting. In other cases, however, moving might lead to equity release or living in a more suitable property. To some extent, the Council recognises this, noting that:

*“19. Whilst the key principle of the strategy for meeting the care and support needs of older people and those with disabilities and special needs is to seek to support them to remain independent within their own homes (generally their existing home unless the individuals preference is either new adaptable and accessible housing or specialist housing including for such reasons as moving closer to their wider family or moving to more accessible locations with better provision of services and facilities), the strategy equally recognises that unfortunately this is not always possible.” (Emphasis Added)*

4.8 In this regard, despite the ‘needs’ identified within the SHMA, not all households (or indeed a constant proportion of households) aged 75 and over will move into specialist accommodation or housing with care (either with or without an element of care) in order to meet their housing needs, with many likely to remain in their own homes or look for homes that could be adapted to meet their needs. In this context, it is noted that the draft Policy

<sup>2</sup> Source: English Housing Survey Demographic Characteristics of movers and (Table FA4121) and Satisfaction with accommodation (FA5401)

also requires 5% of dwellings on sites over 5 dwellings to be provided as M4(3) and 70% as M4(2) (Part 4) and that the Council will ‘strongly encourage’ all M4(2) dwellings to be designed to be ‘friendly’ to those with dementia and to those with disabilities and special needs (Part 6). In this regard, it might be more appropriate for the Council to focus more on the delivery of these adaptable types of dwellings to help address the Council’s older persons and specialist housing needs over the plan period as households age over the coming decades, instead of focussing primarily on specialist forms of housing that otherwise might not be attractive to all households aged 75 and over in need of care.

## 2. Viability

- 4.9 Paragraph 31 of the NPPF is clear that all policies should be “*underpinned by relevant and up-to-date evidence*”, and “*should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned.*” It also goes on to state that Local Plans should have regard to the economic viability of sites (Para 68) and that contributions should not undermine the deliverability of the Local Plan (Para 34). As such, any Local Plan should be supported by a viability assessment, which cumulatively tests the impact of policy requirements on the viability of sites allocated in the Local Plan Review. This should include the implications of the provision of older persons and specialist accommodation, where it is required.
- 4.10 This is because the provision of such housing within larger allocations will invariably decrease the amount of land for market housing, as such housing is often delivered and operated by specialist providers at values akin more to affordable housing. Whilst it is understood that some of the older persons and specialist housing required on sites could be delivered as affordable housing in lieu of traditional affordable housing provision, not all of it will or can be, as there is a need to deliver a diverse mix of affordable housing tenures and sizes to meet identified needs – indeed, Part 18b of the policy states that “*Affordable housing provision should not be concentrated only in affordable specialist housing, as it is important that the other forms of affordable housing are delivered, including for key workers such as the care staff for specialist housing.*” In essence, and notwithstanding some overlap in affordable housing provision, the provision of 20% of housing on site as older persons or specialist housing could be viewed as an additional affordable housing requirement.
- 4.11 As a result, lower levels of market housing could reduce the viability of development and lessens the delivery of other policy requirements. Simply put, a requirement for 20% of all houses on a major site of 250 dwellings, when coupled with wider planning obligations such as 5% being M4(3) and 70% being M4(2), 10-20% affordable housing, biodiversity net gain, on-site energy generation or decentralised energy and electric vehicle charging is likely to decrease the viability of some allocated sites; in turn this will undoubtedly reduce the provision of some of these obligations across the area which would conflict with the Council’s wider strategy for the area.
- 4.12 To this end, it is noted that the draft Local Plan was supported by a Local Plan Delivery & Viability Study (June 2020) (“Viability Study”). However, in respect of older persons and specialist housing, the Viability Study only assessed the impact of requiring ‘all new homes

to be designed to be accessible and adaptable dwellings’, and ‘10% of housing to be wheelchair adaptable dwellings’. Moreover, it goes on to state that:

*“4.78 Shropshire has an aging population and does attract both sheltered and Extra Care developments however it is beyond the scope of this project to test this sector as they will be subject to a viability assessment at the point of a planning application” (Emphasis Added)*

- 4.13 On this basis, the Council, and its supporting Viability Study, have failed to consider whether the provision of older persons and specialist accommodation would undermine the deliverability of the Local Plan. This, of course, was prepared in relation to the draft Local Plan as submitted, which included a version of draft Policy DP1 (Residential Mix) that was much more flexible than the more prescriptive and tiered approach now set out in the MM. A review of the Council’s correspondence to the Inspector and the background documents submitted to the Cabinet for approval on the 19th of July 2023 indicates that the Council has not sought to update the Viability Study.
- 4.14 Whilst it is recognised that there is a need for some provision of older person and specialist accommodation within Shropshire, any changes to the Council’s policy approach on delivering housing to meet these needs must be tested through the viability assessment process – which, to date, they have not. The PPG is clear that a 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.”* (PPG ID: 10-002). As such, it is considered that, in the absence of the Council testing the MM changes to the provision of older persons and specialist accommodation as set out in the draft Policy through the Viability Study, the policy is not *“underpinned by relevant and up-to-date evidence”* and the Council has not considered whether it would undermine the deliverability of the Local Plan – as required by Paragraph 34 of the NPPF. On this basis, the policy cannot be considered sound as proposed.

### **3. Operational Requirements**

- 4.15 As noted above, the Council’s proposed MM approach to the delivery of older persons and specialist accommodation would require a prescriptive and tiered approach, with the following thresholds and requirements:
- 50-149 dwellings – 10% Specialist Housing;
  - 150-249 dwellings – 15% Specialist Housing; and
  - 250 dwellings – 20% Specialist Housing.
- 4.16 However, parts 16 and 17 of the MM draft of the Policy (i.e., schemes between 50-249 dwellings) recognise that at *“the lower end of this category, it is likely that this provision will consist of age-restricted housing or retirement/sheltered housing in the form of apartments or a small group of bungalows which can be delivered in smaller numbers, as they generally have lower operational and staffing costs and requirements.”*
- 4.17 In this context, there is significant concerns regarding the derivation of these thresholds and requirements, and more importantly, whether these have regard to the operation demands of specialist accommodation providers. In the absence of this, the policy is not

‘effective’, as, in practice (i.e., development management and delivery), this type of accommodation is likely to be undeliverable, and the needs of older persons or those in need of specialist accommodation won’t be met.

4.18 In this regard, it is noted that the Council considers that 50+ dwelling schemes have the ‘economies of scale’ required to deliver such housing (Para 66, GC25), and that 150+ dwelling schemes *“have the potential to provide those forms of specialist housing that require larger numbers of units due to their operating model and the requirement for economies of scale, such as extra-care housing and nursing homes offering high end care (including dementia care)”* (Para 67, GC25). Moreover, whilst it is noted that the Council recognises that some forms of specialist housing require a ‘critical-mass’ in order to ensure operational efficiency and viability (Para 78, GC25), and considers that the thresholds and proportions respond to the Council’s *“understanding of the ‘critical mass’ required for the various forms of specialist housing, development viability”* (Para 69, GC25), it is fundamentally unclear what evidence the Council has produced to substantiate this position.

4.19 By way of example, in many instances, the proposed thresholds and requirements – although expressed as ‘minimum’ – would not generate significant contributions, particularly in the lower thresholds (i.e., 50-249 dwellings), which is likely to impact on the ‘deliverability’ of older persons accommodation in practice.

Table 1 Potential Older Persons Housing Supply Ranges on Site Thresholds

No. of Dwellings	10%	15%	20%
50	5	~	~
149	15	~	~
150	~	23	~
249	~	37	~
250	~	~	50
1,500	~	~	300

Source: Lichfields analysis

### ***50-149 dwellings***

4.20 Although expressed as a minimum requirement, on smaller major development schemes between 50 and 149 dwellings, a 10% specialist older persons housing requirement would only generate between 5 and 15 units of specialist accommodation. Whilst the Council considers that this scale of development would lend itself well to *“age-restricted housing or retirement/sheltered housing in the form of apartments or a small group of bungalows”*, it is considered that operators would, in reality, not be willing to operate specialist housing schemes of this scale, which would undermine future delivery and supply.

4.21 Although age-restricted housing or retirement/sheltered housing does not necessarily require the level of resources to operate as more care-intensive forms for specialist accommodation, they do need to be of a sufficient scale to ensure that an on-site manager or warden, which is often expected by residents of sheltered accommodation schemes, is provided on site. As such, a Registered Provider may not find the proposition of managing and ensuring on-site presence for a scheme with only 5 sheltered/age-restricted bungalows

to be viable from a business perspective; particularly if they have to manage other smaller and dispersed schemes throughout the area.

4.22 Moreover, a review of recent planning applications for sheltered accommodation on the Council's website indicates that a majority of recent applications (both approved and refused) have been for an average of 40 dwellings, based on the below applications:

- 20/01284/FUL (Approved) – 71 Sheltered units;
- 20/00115/CPL (Approved) – 38 Sheltered units;
- 19/01265/CPE (Withdrawn)– 23 Sheltered units;
- 16/00720/FUL (Refused) – 55 Sheltered units;
- 13/03670/FUL (Approved) – 25 Sheltered units;
- 10/02562/FUL (Approved) – 35 Sheltered units;
- SA/08/0771/F (Approved) – 20 Sheltered units; and
- NS/07/01083/FUL (Approved) – 60 Sheltered units.

4.23 As shown above, a majority of sheltered housing schemes coming forward/being proposed within the area clearly have a certain 'critical mass' required to deliver them – which is led by market demands. The consequence of this is that, at the lower threshold of 50-149 dwellings (i.e., 10%), the proposed Policy as drafted is unlikely to be effective as few, if any, schemes could be delivered at 5-15 sheltered/age-restricted units.

#### ***150-249 dwellings***

4.24 This threshold and requirement could generate between 23 and 37 units of specialist accommodation, as a minimum, which would still be below the average of recent applications for sheltered/age-restricted units within the Council's area. However, it is recognised that this threshold is more likely to be able to facilitate the delivery of sheltered/age-restricted accommodation. However, as discussed further below, this threshold is unlikely to be able to support any care-intensive forms of specialist accommodation, such as Extra Care or Care Homes, as it would lack the economies of scale required for market-led delivery.

#### ***250 dwellings***

4.25 Obviously, the 20% requirement for this threshold will, on the face of it, enable the delivery of a greater level number of specialist older person accommodation and the potential to deliver more specialist forms of care provision such as Extra Care and Care Homes – with a potential to deliver between 50 and 300 units of specialist accommodation on individual sites based on the lower threshold and largest site within the Council's supply of allocated sites. However, there still remains some concerns that the Council's proposed thresholds and requirements will not deliver in practice.

4.26 Whilst there may be some existing care homes operating within Shropshire which only provide a smaller number of bedspaces, in our experience, from an operational perspective,



most Care Home providers will often need to deliver a care home with a minimum of c.75 bedspaces. This is to ensure that the home benefits from sufficient space to support the on-site facilities needed to ensure a viable business model. Indeed, in two recent applications for care homes, the proposals sought to deliver between 66 and 75 bedspaces (Application Refs: 22/04423/FUL and 22/03369/OUT respectively). Furthermore, whilst historically, care homes have been operated by local authorities and the NHS along with a large number of smaller family-run homes, due to budget constraints, the proportion of NHS, local authority care homes and family-run homes has reduced and, while local authorities and NHS homes continue to operate, larger businesses operating across multiple sites have increased market share over recent years.

- 4.27 However, on the basis of the Council's thresholds and proportionate requirements, a development of a minimum of 375 dwellings would be required to trigger a need to deliver a c.75 bedspace care home. Of the draft allocations made within the Local Plan, only five sites would generate the realistic economies of scale to deliver a care home of the minimum size. Notwithstanding Lichfields' concerns regarding the Council's identified older persons housing 'needs', these five sites alone are unlikely to meet the Council's c.2,500 bedspace 'requirement'.
- 4.28 In addition to the above, part 7 of the draft 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.*" Again, this creates significant concerns regarding the Council's 'understanding' of the care industry's operational requirements. Despite a preference for allowing older people to remain independent within their own homes, the Council also acknowledges that there is still an acute need for residential care homes (including dementia care). Most care homes providing dementia care will need to provide fenced areas within the open areas to keep residents safe from harm.
- 4.29 Furthermore, in respect of Extra Care, similarly, whilst there may be some examples of Extra Care schemes operating smaller developments, the last two planning applications for Extra Care within the District were for 164 and 182 units (Refs: 22/03369/OUT and 21/05743/OUT). Whilst the former application is still pending determination and the latter was refused, it clearly demonstrates that the market demand for this type of accommodation is for larger developments. For schemes to be delivered in line with this, the threshold trigger would be for a scheme of at least 820 dwellings in scale – of which the Council supply has only 3. Even if smaller schemes were to come forward (i.e., 60-80 units), only five sites would generate the number of units required to generate a need to deliver a market-led Extra Care development. Again, the Council's proposed approach seems to have no regard for market demands and is unlikely to deliver in practice.

### **Summary**

- 4.30 On the basis of the above, it is considered that the derivation of the Council's proposed thresholds and requirements appears entirely arbitrary and unsupported by relevant and up-to-date evidence. Fundamentally, the policy requirements for the delivery of specialist accommodation do not appear have any regard for the operational demands of specialist

accommodation providers, with the thresholds and requirements likely to result in few, if any, specialist older persons accommodation being provided within sites as they lack the critical mass and economies of scales necessary to deliver such development. As such, the policy is not ‘effective’, as, in practice (i.e., development management and delivery), this type of accommodation is likely to be undeliverable, and the needs of older persons or those in need of specialist accommodation won’t be met.

- 4.31 It, therefore, may be more practicable to ensure that, instead of older persons and specialist accommodation on smaller strategic sites that couldn’t support this type of development, instead provisions for M4(2) and M4(3) dwellings are made instead – as required by Part 3 of the draft Policy. This would still meet the objectives of the NPPF, in terms of making provision for changing needs.

## **5.0 Conclusion**

- 5.1 The Inspectors Initial findings were clear that the Council’s proposed approach to meeting the needs of older person households and those in need of specialist care (i.e., Policy DP1) needed further consideration. The Inspectors specifically requested that the draft Policy DP1 should contain indicative figures, or the Council should contain a specific policy to deal with specialist housing; either by allocating land for specialist housing or requiring it to be provided in some of the larger allocations. In response, the Council has markedly changed its approach to addressing these needs set out in the MM draft Policy (Housing Provision for Older People and those with Disabilities and Special Needs).
- 5.2 However, it is considered that the Council’s proposed amendments have taken the Inspectors’ suggestions to the extremis; with little to no evidence to substantiate the chosen approach. Crucially, the Council’s approach seeks to make every allocation contribute to meeting these needs, irrespective of whether the site is an appropriate location for older persons and specialist accommodation. Importantly, not all sites are in an appropriate location with access to existing services and facilities or are of a scale to deliver on-site services and facilities. Fundamentally, the Council’s proposed approach:
- 1 Fails to acknowledge the fact that not all people aged over 75 and in need of care will choose specialist accommodation to meet their needs, with many likely to remain within their own homes, or look for accommodation earlier in life that is adaptable to meet future care needs (i.e., M4(2)/M4(3));
  - 2 Fails to consider whether the provision of older persons and specialist accommodation via the draft Policy’s tiered approach, with the differing thresholds and requirements depending on development size, would undermine the deliverability of the Local Plan; and
  - 3 Fails to have any regard to the operational demands of specialist accommodation providers, with the thresholds and requirements likely to result in few, if any, specialist older person accommodation being provided within sites as they lack the critical mass and economies of scale necessary to deliver such development.
- 5.3 On the basis of the above, it is considered that the draft Policy is not ‘justified’, ‘effective’ or ‘consistent with national policy’ and is therefore unsound.

### Tests of Soundness

5.4 Ultimately, it is considered that the MM draft Policy (Housing Provision for Older People and those with Disabilities and Special Needs) would not meet the tests of soundness because:

- 1 **It is not justified or underpinned by relevant and up-to-date evidence:** The draft Policy (Housing Provision for Older People and those with Disabilities and Special Needs) has not been tested through a Viability Assessment, as required by Paragraph 34 of the NPPF. In addition, the derivation of the Council's proposed thresholds and requirements set out in parts 15 to 17 appear entirely arbitrary and unsupported by relevant and up-to-date evidence;
- 2 **It is not effective:** Parts 15 to 17 do not appear to have any regard for the operational demands of specialist accommodation providers, with the thresholds and requirements likely to result in few, if any, specialist older persons accommodation being provided within sites as they lack the critical mass and economies of scales necessary to deliver such development. As such, the policy is not 'effective', as, in practice (i.e., development management and delivery), this type of accommodation is likely to be undeliverable, and the needs of older persons or those in need of specialist accommodation won't be met; and
- 3 **It is not consistent with national policy:** The draft Policy (Housing Provision for Older People and those with Disabilities and Special Needs) has not been tested through a Viability Assessment, as required by Paragraph 34 of the NPPF.

### Recommended Changes

5.5 In order to ensure that draft Policy (Housing Provision for Older People and those with Disabilities and Special Needs) is sound it is considered that:

- 1 As a minimum, part 17 should be deleted;
- 2 Part 16 should be deleted, or, alternatively, amended to enable developments between 150-249 dwellings to make an appropriate provision, where the site would be located where future occupiers can benefit from access to existing services and facilities or can make provision for such facilities. In instances where this is not possible, provision can be made through an appropriate provision of M4(3) dwellings; and
- 3 Part 17 should be amended to allow for flexibility in circumstances where developments at the lower end of this threshold may not deliver the economies of scale necessary to facilitate the critical mass required to deliver Extra Care or Care Homes.