



## Representation Form

Please complete a separate **Part B Representation Form** (this part) for each representation that you would like to make. One **Part A Representation Form** must be enclosed with your **Part B Representation Form(s)**.

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### Part B: Representation

Name and Organisation:	The Retirement Housing Consortium
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#### Q1. To which document does this representation relate?

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- Sustainability Appraisal of the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan
- Habitats Regulations Assessment of the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan
- (Please tick one box)

#### Q2. To which part of the document does this representation relate?

Paragraph:  Policy:  Site:  Policies Map:

#### Q3. Do you consider the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan is:

- A. Legally compliant Yes:  No:
- B. Sound Yes:  No:
- C. Compliant with the Duty to Co-operate Yes:  No:
- (Please tick as appropriate).

#### Q4. Please give details of why you consider the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.

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We support the views of the HBF that a different policy approach should be taken to ensure that much needed specialist accommodation for older people is delivered.

Since the submission of the Local Plan, a new section has been added to the PPG "Housing for Older and Disabled People" (June 19). This reinforces the "critical" need already referred to, to address the housing needs of older people. The Retirement Housing Consortium would welcome further active support and encouragement within the a standalone policy to ensure needs are positively addressed.

Policy DP1 part 4 (as detailed elsewhere in this submission) considers almost exclusively the requirement for wheelchair/accessible adaptable housing. This may be taken to infer that the needs for older persons accommodation can be addressed entirely by the delivery of such housing. Such housing does not deliver on the many benefits that specialised housing for older people can bring, not least addressing loneliness and providing support.

There are significant benefits to increasing supply of retirement and Extra Care housing:

-It is proven to keep older people healthier and happier. Each resident saves the NHS and care system £3,500 per year through reduced use of public services and our retirement communities have seen significantly lower levels of Covid-19 infections than wider society.  
-It releases larger homes back onto the market to help first-time buyers. Two in three chains we create end with a first-time buyer joining the housing ladder. There are also more than 3 million older people looking to downsize in the UK, which would release 2 million spare bedrooms.  
-It helps regenerate local communities and high streets, delivering more local economic value than any other form of residential housing, with residents in a typical scheme spending c.£550k a year, most of which is spent in the local area.

In line with the rest of the country, the Spatial Plan demonstrates an acceptance that the demographic profile of the Authority is projected to age. The largest proportional increases in the older population are expected to be of the 'frail' elderly, those aged 85 and over, who are more likely to require specialist care and accommodation provided by Extra Care accommodation. It is therefore clear that the provision of adequate support and accommodation for the increasingly ageing demographic profile of the spatial area is a significant challenge.

Unless properly planned for, there is likely to be a serious shortfall in specialist accommodation for the older population in the County, which will have a knock on effect in meeting the housing needs of the whole area and wider policy objectives. Specialist accommodation for the elderly, such as that provided by The Retirement Housing Consortium, will therefore have a vital role in meeting the areas housing needs.

We consider that the best approach towards meeting the diverse housing needs of older people is one that encourages both the delivery of specialist forms of accommodation such as sheltered / retirement housing and Extra Care accommodation.

When selecting sites for elderly persons' accommodation careful consideration is given to locational criteria including: Topography, Environment (including safety and security), Mobility, Services and Community Facilities. As such, suitable sites for specialist accommodation for the elderly are difficult to find and tend to be located within, or adjacent to town or local centres. It is therefore highly unlikely that the majority of development sites will be suitable for specialist accommodation for the elderly, particularly on urban extension sites where access to goods and services may be limited. Having said that, when new local centres are being created these may also provide an appropriate location for retirement housing developments.

Specialist accommodation for the elderly also usually provides an element of care and communal facilities at an additional cost to the developer. This requires a critical mass of residents in order to be feasible and small scale developments of specialist housing for the elderly could not be realistically asked to provide or maintain such facilities. It is therefore unlikely to expect the provision of specialist accommodation for the elderly to be met piecemeal in general needs housing developments.

We would like to highlight the advice provide in the *Housing in Later Life: Planning Ahead for Specialist Housing for Older People toolkit*. This toolkit was developed by a consortium of private and public organisations with an interest in housing for the elderly and encourages a joined up approach to planning, housing and social care policy both in the collection of evidence and the development of specialist accommodation for the elderly. A copy of this document has been appended for your convenience. Whilst we appreciate that no one planning approach will be appropriate for all areas, an example policy is provided that, we hope, will provide a useful reference for the Council:

*"The Council will encourage the provision of specialist housing for older people across all tenures in sustainable locations.*

Office Use Only	Part A Reference:
	Part B Reference:

*The Council aims to ensure that older people are able to secure and sustain independence in a home appropriate to their circumstances and to actively encourage developers to build new homes to the 'Lifetime Homes' standard so that they can be readily adapted to meet the needs of those with disabilities and the elderly as well as assisting independent living at home. The Council will, through the identification of sites, allowing for windfall developments, and / or granting of planning consents in sustainable locations, provide for the development of retirement accommodation, residential care homes, close care, Extra Care and assisted care housing and Continuing Care Retirement Communities."*

Well located and designed specialist housing for older home owners is a highly sustainable form of housing. Given the critical need for older persons accommodation in the West of England there should be a presumption in favour of sustainable housing and in particular specialist housing which is being proposed on suitable sites. It is recommended that greater weight is attached to this approach alongside the desire to release residential land within strategic allocations or indeed a separate policy within the document to cover the housing need for the ageing population. This accommodation will come from a number of sources both public and private and with varying levels of care and shelter provision enabling individual people to remain in their own home with independence and security. In effect there should be more of a positive policy supporting older people's accommodation in the same way that affordable housing is given a high priority.

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

**Q5. Please set out the modification(s) you consider necessary to make the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan legally compliant and sound, in respect of any legal compliance or soundness matters you have identified at Q4 above.**

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Addition of a standalone policy supporting the provision of specialist accommodation for older people.

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

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**Q6. If your representation is seeking a modification to the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan, do you consider it necessary to participate in examination hearing session(s)?**

Office Use Only	Part A Reference:
	Part B Reference:

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No, I do not wish to participate in hearing session(s)

Yes, I wish to participate in hearing session(s)

(Please tick one box)

**Q7. If you wish to participate in the hearing session(s), please outline why you consider this to be necessary:**

**To ensure the needs of older people are properly considered within this local plan.**

(Please continue on a separate sheet if necessary)

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Signature:

Date:

Office Use Only

Part A Reference:

Part B Reference:

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#### Q1. To which document does this representation relate?

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- Habitats Regulations Assessment of the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan
- (Please tick one box)

#### Q2. To which part of the document does this representation relate?

Paragraph:	<input type="text"/>	Policy:	<input type="text" value="DP1"/>	Site:	<input type="text"/>	Policies Map:	<input type="text"/>
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#### Q3. Do you consider the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan is:

- |  |      |                          |     |                                     |
|--|------|--------------------------|-----|-------------------------------------|
| A. Legally compliant                     | Yes: | <input type="checkbox"/> | No: | <input checked="" type="checkbox"/> |
| B. Sound                                 | Yes: | <input type="checkbox"/> | No: | <input checked="" type="checkbox"/> |
| C. Compliant with the Duty to Co-operate | Yes: | <input type="checkbox"/> | No: | <input checked="" type="checkbox"/> |
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Under Policy DP1 Bullet Point 4, all dwellings specifically designed for older people or those with disabilities or special needs will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations.

Under Policy DP1 Bullet Point 5, 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.

If the Government implements proposed changes to Part M of the Building Regulations as set out in the "Raising Accessibility Standards for New Homes" consultation, which closed on 1 December 2020, the Council's amendment to Bullet Points 4 & 5 of Policy DP1 will be unnecessary.

In the meantime, if the Council wishes to adopt the optional standards for accessible & adaptable dwellings, then this should only be done in accordance with the 2019 NPPF (para 127f & Footnote 46) and the NPPG. Footnote 46 states "that planning policies for housing should make use of the Government's optional technical standards for accessible and adaptable housing where this would address an identified need for such properties". As set out in the 2019 NPPF, all policies should be underpinned by relevant and up to date evidence which should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned (para 31). Therefore, a policy requirement for M4(2) and M4(3) dwellings must be justified by credible and robust evidence. The NPPG sets out the evidence necessary to justify a policy requirement for optional standards. The Council should apply the criteria set out in the NPPG (ID 56-005-20150327 to 56-011-20150327). The NPPG sets out that evidence should include identification of :-

- the likely future need ;
- the size, location, type and quality of dwellings needed ;
- the accessibility and adaptability of the existing stock ;
- variations in needs across different housing tenures : and
- viability.

Detailed information on the accessibility and adaptability of the existing housing stock, the size, location, type and quality of dwellings needed and variations in needs across different housing tenures in the County should be incorporated into the Council's supporting evidence.

The Retirement Housing Consortium would ask it to be noted that:

a) Whilst not all its apartments are necessarily built to wheelchair adaptability standards, they will incorporate a very high degree of accessibility and features not least (a) level and step free access throughout (b) wheelchair and mobility scooter storage meaning that it is no then necessary to have storage facilities in each apartment - thereby addressing aspects of M4(3) compliance, albeit indirectly. Such schemes therefore do much to address need without full compliance

b) Any proposal for an additional requirement, particularly for specialised housing for older people must be very carefully assessed in viability terms. Whilst the exact impact remains to be seen, coronavirus is likely to give a considerable shock to the viability of such housing and also, particularly incorporating M4(3) requirements in such schemes is likely to be additionally costly given not only the actual costs of doing so but also this will impact on the density and efficiency of a development which is usually made up of small units (as desired by older people moving to housing more suited to their needs) in a single building.

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

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Office Use Only	Part A Reference:
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Signature:

Carla Fulgoni

Date:

25/02/2021

Office Use Only	Part A Reference:
	Part B Reference:



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Please see attached response.
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	Office Use Only	Part A Reference:	
		Part B Reference:	

## Shropshire Reg 19 pre-submission draft Local Plan v 1.0 - 25/02/2021

### Affordable Housing and Viability Comments

- 1.1 Draft policy DP1. Residential mix requires the delivery of a range of housing options for older people on sites in excess of 50 dwellings. In general the draft plan encourages the delivery of specialist housing for older people in recognition of the ever increasing demand for such housing over the plan period.
- 1.2 Support for specialist housing for older people is welcome. However, we believe that as drafted, other policies within the draft plan will inhibit the delivery of specialist housing for older people. In particular draft policy DP3 Affordable Housing has not been fully considered in how it will apply to specialist housing proposals.
- 1.3 As drafted, policy DP3 requires all new residential development to contribute towards affordable housing. There is no recognition of the unique characteristics of specialist housing for older people. In general retirement living and extra care proposals are not capable of accommodating affordable housing on site. This is a well established position with local authorities and the planning inspectorate throughout the country. Indeed this principle was agreed with the council on Churchill Retirement Living applications at Bridgnorth and Ludlow.
- 1.4 Policy DP3 should therefore be amended to include reference to specialist housing for older people, acknowledging that in most cases it is recognised that affordable housing cannot be accommodated on the development site. In most cases it should be recognised that an off site payment in lieu should be agreed where viable.
- 1.5 The supporting text of policy DP3 states that *Recognising the viability of development in Shropshire, the percentage of affordable housing required on site is: a. 10% in the north of Shropshire; and b. 20% in the south of Shropshire.*
- 1.6 The council commissioned HDH Planning & Viability to undertake a plan wide viability study in July 2020 to demonstrate the viability of the local plan policy requirements. We have reviewed the plan wide viability testing and are far from convinced that the necessary testing has been undertaken to demonstrate that specialist housing for older people can provide for the equivalent policy requirement sought for affordable housing.
- 1.7 The plan wide study is light touch in relation to specialist housing for older people and in our view does not in any way reflect the unique characteristics of this housing typology. The viability testing therefore does not provide a robust position whereby site specific negotiations can refer back to the viability supporting the local plan in line with requirements of the NPPG.<sup>1</sup>
- 1.8 We believe this is a major flaw within the plan making process in respect of specialist housing for older people. The NPPG<sup>2</sup> sets out that different targets for different types of housing may be set in terms of target percentages for affordable housing. Our view is that if

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<sup>1</sup> Paragraph: 008 Reference ID: 10-008-20190509

<sup>2</sup> Paragraph: 001 Reference ID: 10-001-20190509

the local plan testing undertook a more detailed analysis of specialist housing proposals for older people, it would be clear that the 20% generic target put forward for the south of the district would be clearly unviable for this housing typology.

- 1.9 This reality is reflected within the Churchill Retirement Living scheme at Innage Lane in Bridgnorth where it was agreed at appeal in 2018 that the scheme could not afford any payment towards affordable housing. At Ludlow an off site payment of £110,000 was agreed for affordable housing reflecting less than 5% affordable housing. Viability of specialist housing proposals are clearly therefore restrained and cannot be tested using the same assumptions used for mainstream housing.
- 1.10 From our review of the Local Plan viability evidence base it is not obvious that any of specific viability assumptions agreed as part of the review of the Churchill sites have been factored into the plan wide study.
- 1.11 Included below are the reasonable standardised, industry acceptable inputs to viability which we believe the plan wide study fails to test in relation to specialist housing for older people.
- 1.12 Our view based upon our experience of viability in this location is that a one size fits all approach is not realistic. The council should therefore amend the policy to explicitly set out that viability of specialist housing for older people is generally restricted and that the local authority will apply flexibility on a site by site basis as required to ensure that such housing comes forward to meet a clearly established housing need locally.

<b>Input</b>	<b>Local Plan Evidence Base</b>	<b>Detailed Comments</b>
Mix	Reference is made to broadly acceptable unit sizes.	Typical sheltered proposal average sizes range from 50-56m <sup>2</sup> for 1 bed units and 72-84m <sup>2</sup> for 2 bedroom units.  Extra care average unit sizes can be 10% larger on average (indicatively).
Building Efficiency	It is not clear what has been assumed within the study assumptions.	Communal space for retirement living type proposals can extend to 30% of the total floorspace.  In respect of Extra Care proposals, the non-saleable floorspace may amount to 40% given the range of services offered as part of some schemes.
Sales Values	Values are referenced from other schemes.	We note that this approach is indicative and highly variable depending on the site characteristics.

		A generic average applied across an entire testing area can only ever be treated as a high level analysis of viability.
Ground Rents	Not included.	Note should also be made of the Government intention to ban ground rents and testing applied accordingly.
Base Build Costs	<p>We support the use of BCIS rates in the appraisal as a transparent and easily available comparable source of <b>base build cost</b> information.</p> <p>BCIS in respect of supported housing should be used and this does not appear to be tested here.</p>	<p>We note that reference is made to the BCIS study <i>Housing development: the economics of small sites – the effect of project size on the cost of housing construction</i> (August 2015). This publication states that care needs to be applied to small samples (less than 20) in the BCIS and that where possible, sample sizes of more than this should be used. This is important for Supported Housing proposals in the BCIS sample which often can be less than 20.</p> <p>In such scenarios our view is that the Median Generally sample produces the highest number of sample and most accurate sample and should be used.</p>
External Build Costs	5% for flatted schemes.	At least 10% of base build cost is appropriate in our experience. Given the emphasis place on high quality external finishes for older people, 10%
Abnormal Costs	5% of BCIS	Specific sites will generally experience costs not included within BCIS rates and this should be acknowledged.
Professional Fees	8%	Our view is that 10% is more appropriate for housing for older people given the specialist design requirements and typical site constraints.

Contingency	2.5-5%	5% is typically appropriate at this stage of testing in our view particularly for brownfield sites.
Marketing/Disposal	3%	<p>In our experience and given the evidenced slower sales patterns and restricted occupancy conditions as well as nature of purchaser, an allowance of 5-6% of GDV is more realistic.</p> <p>This is a niche, age restricted market with dedicated sales teams on site for the duration of the sales period which can extend to several years as already detailed. Often on site sales suites consist of a dedicated 1 and 2-bedroom apartment which is fitted out for the duration of the sales period. Marketing involves national, regional and local press adverts throughout the duration of the sales period.</p> <p>Given the characteristics of typical purchasers, the decision to leave the family home is a wider family decision and purchasers often visit new lodges on numerous occasions prior to deciding to purchase. Assistance from sales teams can include advice on the sale of the existing home as well as options which might include part exchange etc. The entire process can be very labour and administratively expensive in comparison with the open market.</p> <p>Marketing and sales activities often involved regular open day and other events to attract purchasers over the sales period with just a handful of apartments often remaining unsold, marketing and sales teams must be on site often a number of years following sales release.</p>

Finance	7%	<p>6.5% - 7% debit is typical in current climate.</p> <p>It is highly important that older peoples housing is cashflowed over an appropriate sales period given the longer than normal sales period associated with this type of proposal.</p> <p>If not, the viability appraisal is incorrect and inaccurate.</p>
Empty Property Costs/Void Allowances	Not factored in.	<p>In relation to <b>voids</b> the study appears to ignore void costs associated with sheltered and extra care proposals which can amount to £150,000 to £250,000 on certain schemes which can take several years to sell entirely. During this time the empty properties must be paid for by the developer including service charge, council tax and other maintenance charges.</p> <p><b>Phasing and timetable/sales patterns</b> also appear to reflect general market averages whereas in fact the sales curve for sheltered and extra care proposals is very different. In the Midlands region, Churchill for instance sell an average of 0.8 units per month at present. This results in sales periods extending over several years and void cost must be factored in.</p>
Profit/Margin/Return for Risk	This appears to be allowed at 17.5% GDV.	<p><b>Developer Return</b> at 20% GDV is considered the absolute minimum requirement for proposals including sheltered and extra care given their exposure to the market brought about by a very slow payback period. This has been widely accepted at appeal and as part of the Churchill Bridgnorth scheme in this market area in 2018.</p>
Benchmark/Threshold Land Value		In respect of the sheltered and extra care housing proposals, the typical

		<p>ideal site is a brownfield edge of centre or close to centre site with good connections by public transport to existing facilities including shops and a high street with a good range of services. In our experience these sites tend to already have a high existing use value (e.g. typically already residential with large plot or alternatively in commercial use with high alternative use values). It is also not unusual for typical sites to already benefit from a consent or interest from other residential non-residential proposals given the location.</p> <p>Benchmark or Threshold Land Value is therefore often a critical consideration in viability assessment in respect of this type of housing proposal.</p> <p>Testing should reflect this and include existing residential sites.</p>
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- 1.13 We have highlighted above sufficient evidence to establish that the Local Plan testing in respect of specialist housing for older people does not establish a robust position against which to ensure this housing need will be addressed. The plan policy should therefore be amended re recognise that flexibility is required in the application of draft policy DP3 to specialist housing for older people.