

Representation by Inspired Villages

To support the practical delivery of much-needed specialist accommodation to meet the needs of an ageing population (version 2)


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Foreword

We are not just getting older, we are living longer with rising health and care needs and by 2035, one in four of the population will be over 65 years old. With the unprecedented increase in the number of older people, a new approach is required to respond to the challenges of loneliness, isolation, unsuitable housing, unresponsive and rigid services.

We need to create environments where the chances of living well for longer, independently and actively are maximised, recognising the importance of social engagement and meaningful relationships to mitigate pressures on the health and social care system.

The planning system has struggled to keep up with the emerging models in the later living sector in recent years. This report is intended to assist local planning authorities with their development plan preparation to produce positive policies that will enable the housing needs for older people to be met, in full, particularly as such needs have been identified by the government's national planning guidance to be critical.

Legal & General entered the later living sector in the UK in August 2017, marking the first major institutional investment into this critically under supplied segment of the residential market. Legal & General are investing for the long-term with ambitious plans to deliver £4 billion of capital into the sector over the next five years, providing over 8,000 units of much-needed accommodation for older people and it is vital that the planning system can respond to the challenge.

Phil Bayliss, Chairman,
Inspired Villages and CEO of Legal & General Later Living

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Inspired Villages recommendations

Inspired Villages makes the following eight recommendations which should be incorporated into the emerging local plan to support the practical delivery of specialist housing for older people and meet the ever-growing need. The local plan and its evidence base should:

1. Be **based on a clear understanding of specialist housing for older people** drawing upon national guidance and other sources, particularly regarding the use class and recognise the different types of specialist housing which exist.
2. Be **based on a robust evidence base that identifies the housing requirements of specialist housing for older people** drawing upon appropriate sources recognised within the sector.
3. **Set out clear and specific policy / policies to address housing needs for older people** (e.g. care villages and extra care), on land in, or adjacent to settlement boundaries where those settlements that provide a certain level of services and facilities, where the proposed development provides sustainable transport measures and communal facilities and where there is an identified need.
4. **Set indicative figures or a range for the number of specialist housing for older people needed across the plan area throughout the plan period** and this must recognise the diverse models that exist.
5. **Monitor the delivery of housing for older people and deliver action plans to address under provision.**
6. Consider the **inclusion of specialist housing for older people within appropriate strategic or other site allocations** subject to consideration of need, site and locational factors and deliverability.
7. Must **recognise the significant benefits associated with specialist housing for older people** and this can inform planning decision making.
8. Set out different policy requirements, for example, affordable housing, for a retirement community (C2 use) compared to residential development (C3 use) and the evidence base and viability should take into account the different circumstances between the uses (e.g. retirement communities provide significant levels of communal facilities / non saleable floorspace and their ongoing maintenance and management, staffing, funding, etc). Where there is doubt, policies should provide sufficient flexibility for specific circumstances, which may include viability, to be assessed through a planning application.

Introduction

- 1.1 There is a significant existing shortage of suitable accommodation to meet the needs of the ageing population in the UK and the planning system must take positive measures to address this. The National Planning Policy Guidance (NPPG) identified that in mid-2016 there were 1.6m over-85s and this will double to 3.2m by 2041.¹ The majority of the ageing population are able to, and want to, live independently for as long as possible, and will not require intensive care home accommodation until much later in life, if at all. However, in this period older people will reconsider whether their home is most suitable for their current needs and are more likely to require increasing assistance with day-to-day tasks and managing their health. Accordingly, there is a need for a variety of types of specialist accommodation for older people, to meet the varying needs of individuals.
- 1.2 The coronavirus pandemic has brought into focus that the current system of older people remaining in unsuitable housing to meet their needs or care homes is not appropriate. A retirement community model addresses the deficiencies of the existing options, and this is an opportunity to provide appropriate homes for older people to allow them to age in place with access to care and facilities on-site to meet their day-to-day needs.
- 1.3 What is not clear is how these different types of development should be classified, **and delivered**, by the planning system. **There is no consistent approach to local plan policies looking to tackle this issue.** Some local plans might support the principle of the delivery of specialist accommodation for older people, but do not necessarily deal with delivery in a practical sense. An Irwin Mitchell report 'Unlocking potential for senior living' (July 2020) identified that

50% of Councils do not have any specific planning policies nor site allocations to make provision for housing for older persons. For example, South Gloucestershire Council's Core Strategy (adopted December 2013) Policy CS20 supports the provision of extra care accommodation which "*should be located so they are accessible to local facilities, proportionate in scale to the locality and provide ancillary facilities as part of the development.*" However, for retirement community operators searching for suitable accessible sites there will normally be competition with residential developers for allocated sites or, if not allocated, then usually this would be outside the settlement boundary and thereby there may be some degree of conflict with other development plan policies.

- 1.4 There has been an **inconsistent approach to plan-making and decision taking at a local level** across the country, which inevitably causes uncertainty for developers and operators within the sector, which results in delay to delivery and reduces investor confidence. The lack of specific local plan policies and misinterpretation of the Use Classes Order are particular issues.
- 1.5 Inspired Villages representation provides a developer / operator's perspective, to provide industry insight at an early stage in your plan-making process, which can be used to develop planning policies that are better placed to support delivery and in compliance with the objectives of the National Planning Policy Framework (NPPF) and the NPPG. Details of who Inspired Villages are and our model are set out in the accompanying **21st Century Care document**. This representation makes **8 recommendations** for the local planning authority to consider and to incorporate within your emerging local plan to ensure the delivery of much-needed older people's housing.

“There has been an inconsistent approach to plan-making and decision taking at a local level across the country.”

¹ NPPG Paragraph: 001 Reference ID: 63-001-20190626

Definitions of older people's housing and care

- 2.1 Since the late 1970s, accommodation for older people was generally limited to three options: remaining in the family home; moving into sheltered housing; or moving into a care home.² A large volume of sheltered housing was developed in the 1980s to 2000s, predominantly by McCarthy & Stone and registered providers of social housing. This stock forms the bulk of existing provision in the UK. In recent years there has been a considerable reduction in the availability of funding with spending falling in real terms,³ and local authorities seek alternative, more cost-effective means of providing care and accommodation for those who would otherwise be funded to move into residential care.
- 2.2 Furthermore, those who would otherwise fund their own care in a care home now seek alternative options to retain their independence for as long as possible. The opportunity to retain a level of equity from an existing home by moving at an earlier stage to specifically designed housing for older people from properties that are often larger and difficult to maintain, and where increasing levels of care can be bought in as required, can serve to delay or prevent a move into a care home.⁴
- 2.3 The government's '**Housing for Older and Disabled Guidance (2019)**⁵ set out four types of specialist housing to meet the diverse needs of older people and we also provide additional points from the Associated Retirement Community Operators (ARCO),⁶ who are the main body representing the retirement community sector in the UK, (in italics, below), with regards the size of schemes:

1 Age-restricted general market housing: Usually for people aged 55 and over. May include some shared amenities such as communal gardens but does not include support or care services.

2 Retirement living or sheltered housing: Usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. Does not generally provide care services but provides some support to enable

residents to live independently (may include 24-hour on-site assistance and a warden or house manager). The housing provided is available on a variety of tenures: shared ownership, long leasehold and rent (social and private). *Typically, 40-60 units.*

3 Extra care housing or housing-with-care (assisted living or independent living): Usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available, if required, through a registered on-site care agency. Residents can live independently with 24-hour access to support services and staff, and meals are also available. Often there are extensive communal areas, spaces to socialise or a well-being centre. In some cases, **these developments are known as retirement villages or retirement communities** – with the intention for residents to benefit from varying levels of care as time progresses. *Typically, 60-250 units. An Inspired Villages retirement community falls within extra-care housing.*

4 Residential care homes and nursing homes: Provide individual rooms (usually with en-suite) within a residential building, together with a high level of care (24-hour), meeting all activities of daily living. Also includes dementia care homes. Range of facilities and activities including gardens, lounges and dining rooms. *Sizes of homes vary considerably. Registered and regulated by the Care Quality Commission (CQC) in England, (by the Regulation and Quality Improvement Authority (RQIA) in Northern Ireland and the Care Inspectorate in Scotland and the Care Inspectorate in Wales (CIW)).*

2.4 Until recently, extra care or 'housing-with-care' was not widely recognised as providing an alternative to residential care. However, such accommodation maintains an individual's independence within their own specifically designed property with

² Jones, R (2007) A Journey through the Years: Ageing and Social Care. (Ageing Horizons) Issue No. 6, 42-51. Oxford Institute of Ageing

³ Bottery S, Ward D and Fenney D (2019) Social Care 360. The King's Fund

⁴ The University of Sheffield and Dwell (2015). Extra-care Housing: Brief development

⁵ Gov.UK (2019) Housing for Older and Disabled People

⁶ Associated Retirement Community Operators (ARCO) website: www.arcouk.org

a range of services and, importantly, where increasing levels of care can be bought in as needs change. Having evolved in recent years to respond to the growing demand from older people for greater choice, quality and independence, the number of models and designs have made it difficult to define this form of accommodation, however, the Care Services Improvement Partnership (2011)⁷ identified three common features:

- 1 A type of residential accommodation, a person's own home. It is not a care home or a hospital and this is reflected in its occupancy through ownership, whether it be lease or tenancy;
- 2 It is accommodation that has been specifically designed, built or adapted to facilitate the care and support requirements of its owners or tenants; and
- 3 Access to care and support is available 24 hours per day.

Recommendation One:
Local plans **must be based on a clear understanding of specialist housing for older people** and the Use Classes Order drawing upon the PPG and other relevant guidance.

- 2.5 Frequently local planning authorities overlook the extra care model, particularly the scale of a retirement community and instead focus on sheltered housing or care homes. It is essential that authorities recognise the different models.
- 2.6 Private extra care development in the UK broadly reflects the economic boom of the middle part of the 2000s. Between 2005 and 2009 there was an acceleration of development, particularly care villages. However, following the downturn in the residential housing market, the number of new, private extra care and care village developments reduced significantly from 2009. Such developments have increased again from the mid-2010s resulting from the ever-increasing ageing population.

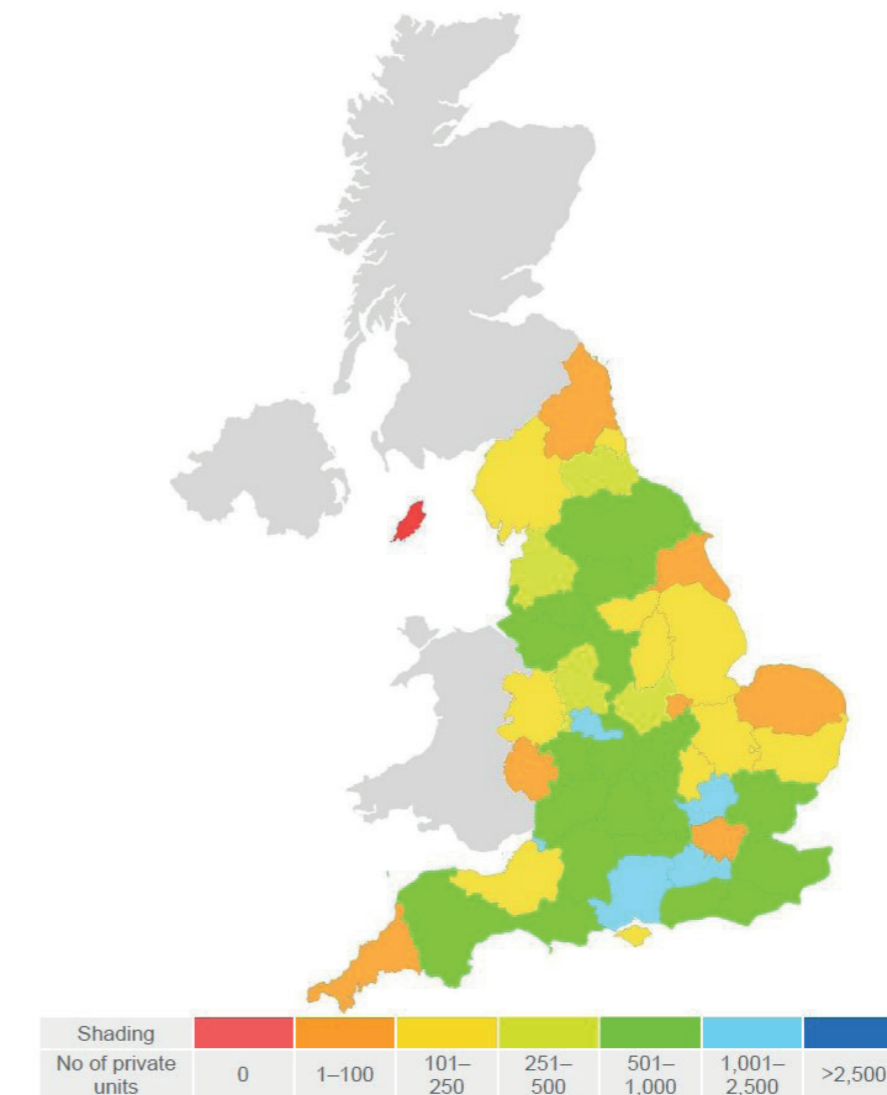
- 2.7 The average size of older people's housing developments has increased year on year, driven by larger village style developments and a requirement for economies of scale when providing on-site care and facilities.
- 2.8 It is important that a range of tenure types are provided for, to meet the housing need for older people. For the private sector, the decision to acquire or rent an extra care unit is choice driven, whereas in the affordable sector it is more likely to be based on need. For those choosing to acquire or rent a private extra care unit they should be able to choose the type of accommodation that best suits their circumstances and

consequently planning policy needs to support the delivery of housing types that meet the relevant local demand. For example, **in areas where there is high prevalence of home ownership, the policy should encourage higher rates of private extra care delivery to match tenure.**

2.9 Figure 1 below shows the geographic distribution by county in England of private older people's housing units where on-site care and facilities are provided. Overall it shows an historic low level of provision across England resulting in under supply and increasing needs.

Private older people's housing per county with on-site care and facilities

Figure 1



Source: Carterwood, EAC database May 2019.

Table 1

Older people's housing by age of construction					
Decade	Schemes	Total units	Private units	% of private units	Average scheme size
Unknown	487	11,701	9,384	5.4	24
Prior to 1970	130	2,895	2,171	1.3	22
1970s	50	1,405	948	0.6	28
1980s	1,886	66,086	59,987	34.8	35
1990s	864	30,018	26,418	15.3	35
2000s	932	40,054	34,963	20.3	43
2010s	1,079	52,632	37,107	21.6	49
Forthcoming	46	2,184	1,141	0.7	47
Total	5,474	206,975	172,119	100.0	37.8

Source: Carterwood, EAC database May 2019. (Note. EAC database includes all schemes, including private rental and 'other' tenure types, the latter making up a small proportion of total units. 'Unknown' schemes are likely to be older developments where no date of construction has been provided.)

⁷ The Extra Care Housing Toolkit https://www.housinglin.org.uk/_assets/Resources/Housing/Support_materials/Toolkit/ECH_Toolkit_Website_Version_Final.pdf

2.10 There are a variety of site size requirements dependent upon the operator, the proposed scheme and its location. They tend to range between 0.5 to 1.5 acres for more traditional sheltered housing schemes and care home schemes where a lower level of amenities is provided on site, up to approximately 10 acres for the more extensive, all-encompassing retirement community / extra care schemes.

2.11 Despite strong sales rates and a demand that is tending to outstrip supply, the UK has only 4,535 private older people's housing schemes, including 124 care villages (based on the EAC definition of care village).⁸ Note: Care village is the same as a retirement community.

2.12 There have been fluctuations in new development during the ten years to 2017, as shown in table 2 below which compares the number of schemes developed against the number of private apartments. These developments are operated by, among others: Audley Retirement, Inspired Villages, Retirement Villages, Richmond Villages, Lifecare Residences, Fortis Living, The Extracare Charitable Trust, The Joseph Rowntree Housing Trust, MHA and St Monica Trust.

Recommendation Two:

The local plan **must be based on a robust evidence base that identifies the housing requirements of specialist housing for older people** drawing upon appropriate sources recognised within the sector.

Table 2



Source: Carterwood.

Deliverability and use class

2.13 Planning policies typically require there to be an identified need and for development to be proportionate to its surroundings. However, in terms of deliverability for a retirement community, for the communal facilities, funding and infrastructure needed to work as housing-with-care, which can sufficiently facilitate 'wellness' long-term, there is a **minimum scale that works financially and operationally.**

2.14 Inspired Villages typical model is for approximately 150 units of accommodation with some 210,000 sq.ft of floorspace, of which, approximately 40,000 sq.ft would be communal facilities (café / bar, restaurant, wellness centre including treatment rooms, fitness studio and pool, library, craft room and hairdressers – referred to as non-saleable space). Therefore, a development requires a certain minimum scale of development to be viable, whilst meeting the identified need. This means it is not realistic to disaggregate a retirement community into smaller amounts as it would not be viable to deliver.

Recommendation Three:

The local plan should **set out clear and specific policy / policies to address housing needs for older people (e.g. retirement communities / extra care):**

1. On land in, or adjacent to settlement boundaries where those settlements provide a certain level of services and facilities.
2. Where the proposed development provides sustainable transport measures and communal facilities.
3. Where there is an identified need.

2.15 Planning policies must be sufficiently flexible to take account of current identified need for older people's housing, assessed on a case-by-case basis, via each planning application. **The introduction of an exceptions-based policy will assist delivery of new retirement communities to meet the critical need.**

Use class

2.16 The key considerations in determining the use class for specialist older people's

housing is the level of care and scale of communal facilities provided.⁹ Indeed these are the key reasons why an elderly person chooses to move. A retirement community is not accommodation alone, they provide both 24-hour care and communal facilities, that enables individuals to live independently in their own home, with the security and amenities that allow for peace of mind. Such developments are C2 rather than C3 use, even when there is no registered care home as part of the development. This has been identified in recent planning appeals such as West Malling in 2018, amongst others.^{10 11 12} **LPAs seeking to wrap older persons housing into a general C3 use or applying affordable housing policy acts as a barrier to delivery.**

2.17 In July 2018, ARCO agreed without an evidence-based approach, the NPPF was right in recognising the need for a sufficient supply of housing for older people. ARCO stated that *'More work needs to be done, including clear guidance for councils to make provision for the different needs of older people. Without this there is a risk of the NPPF becoming a blunt instrument which fails to make a difference to planning decisions'* and supported a *'more explicit statement that C2 use classes include genuine housing with care developments.'* Inspired Villages are an ARCO Approved Operator and adhere to their Consumer Code which provides a benchmark for good practice in the sector.

2.18 The reason for the lack of clarity is because the Use Classes Order pre-dates the introduction of the variety of options for accommodation (with or without care) that now exist. The Use Classes Order is in need of updating in this respect.

2.19 The 2019 report 'Shining a spotlight on the hidden housing market'¹³ considered that a new use class should be created specifically for retirement living schemes as they have previously fallen under C2, C3 or sui generis, which has led to inconsistencies in terms of delivery, location and affordable housing provision between local authorities. The term 'specialist housing for older people' (see paragraph 2.3) covers a range of types of development. Some of those

8 Hartley, B (2018) Care Village Editorial. Healthinvestor

9 NPPG Paragraph: 014 Reference ID: 63-014-20190626

10 Appeal Decision: Ref: APP/Q3630/W/18/3195463. Oak Tree Nurseries, Stroud Road, Virginia Water, GU25 4DB. 15 February 2019

11 Appeal Decision: Ref: APP/A0665/W/18/3203413 Beechmoor Garden Centre, Whitchurch Road, Great Boughton, Chester CH3 5QD. 17 July 2019

12 Appeal Decision: Appeal Ref: APP/H2265/W/18/3202040 Land to the rear of 237-259 London Road, West Malling, Kent ME19 5AD. 19 December 2018

13 Shakespeare Martineau and Housing LIN (2019) Shining a Spotlight on the Hidden Housing Market.

types of development do not involve the delivery of care, nor the inclusion of facilities that support the delivery of care and on-going “wellness” and it is generally agreed that those developments fall within use class C3, whereas a retirement community falls fully within C2.

2.20 It is essential that the evidence base / viability assessment properly understands the retirement community model and these extra significant costs. **It is not appropriate for a C2 development to attract the same affordable housing requirement as C3 residential which does not have such costs to development.**

2.21 Specialist housing for older people differs in a number of ways that affect its viability, which all feed into the consideration of whether or not it can fund additional obligations such as affordable housing, including:

- Funding;
- The long-term operation, management and ownership of the site;
- The provision, maintenance, upkeep and management of the significant communal facilities, including its delivery before the first unit is occupied; and
- Staffing

2.22 These factors are intrinsic in recognising that a retirement community or extra care model is very different from Class C3 residential development that directly affects deliverability, and in turn the **inappropriateness of applying policy intended to be applied to C3 residential development.**

2.23 The following principles are drawn from recent appeal decisions, for example, Retirement Villages appeal at Shiplake in South Oxfordshire District Council¹⁴ that grapple with use class and the application of affordable housing policies:

- Even though it may be reasonable to consider individual self-contained units of accommodation as dwellings, where the proposed development forms a collection of units of accommodation with extensive communal facilities, beyond that reasonably likely to be provided in standard Class C3 accommodation, and which clearly exists to

serve the residents, both **the units and the communal facilities are intrinsic to each other and therefore, form part of the same planning unit.**

- That **planning unit as a whole** exists to provide accommodation with care, to people in need of care, falling wholly within use class C2.
- Where the units are occupied only by residents in need of, and receiving, a minimum level of care, their existence is founded on the need for, and delivery of accommodation with care, for those in need of care, in direct correlation with use class C2. Where this is secured through occupation restrictions set down within a legal agreement, the terms of the grant of permission mean it can only be used for use class C2.
- Where care and assistance is provided at additional cost to an occupant, the occupant is only likely to choose to live there if they are in need of that care and assistance.
- Care can cover a very broad range of activities that assist people in carrying out everyday tasks, which may become increasingly difficult with age. What is important is that the planning unit is designed and exists to provide care and which is capable of increasing over time. The physical attributes of the building, the interconnectivity between accommodation and facilities and the extent of communal facilities are all relevant to assessing the nature of the development.

2.24 The fundamental point arising from this, is that these developments exist to provide accommodation with the availability of care and the provision of extensive communal facilities. With regard to these points and the guidance provided in the PPG: *“when determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwellinghouse) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided.”*

2.25 An Inspired Villages development has a high level of care and significant amount of facilities meaning it is clearly a C2 use.

Definitions of care

2.26 A definition for ‘care’ is provided in the Interpretation section (Section 2.) of the Use Classes Order, as follows:

“care” means personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care of children and medical care and treatment.”

2.27 The 1987 Use Classes Order also pre-dates the formal definition of the term ‘Personal Care’ in the health legislation. For the avoidance of doubt, the term ‘Personal Care’ is now defined in the health and social care legislation, regulations and guidance, having been introduced in 2008; however, the reference to ‘personal care’ in the definition of care provided in the Use Classes Order is not synonymous with the health legislation definition, which did not exist at the time it was written. The definition in the Use Classes Order can only be taken in its practical sense, as described, i.e. ‘individual’ care to a person in need of care.

2.28 The different approach by different local authorities has led to different operational restrictions / obligations being secured at

different sites that essentially constitute very similar development, not helped by a Use Classes Order which is now of some considerable age. This is understandably difficult to manage and unpredictable for developers of this type of development.

2.29 To support delivery, we strongly encourage the local planning authority adopts policies that allow for the specific circumstances of the proposal to be assessed in each case, rather than seeking to pre-determine use class based on a particular characteristic; and to be clear that **affordable housing policies designed to apply to unrestricted, open market residential development do not apply to Class C2 development.** Where there is doubt, policies should provide sufficient flexibility for specific circumstances (e.g. may include viability) to be assessed through a planning application, unless specialist housing for older people had been fully considered at the plan-making stage (infrastructure, relevant policies and local and national standards, cost implications of Community Infrastructure Levy (CIL) and Section 106.¹⁵

Evidence base and approach for local plan-making

National planning policy context

3.1 The National Planning Policy Framework (NPPF) 2019 stresses the importance that the needs of groups with specific housing requirements are addressed, with paragraph 61 stating *‘the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies’*, including for older people. **The PPG identifies the evidence that plan-makers should consider when assessing the housing needs of older people;** in terms

of census data, projections of population and households by age group, together with the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care)¹⁶. This can be assessed from online tool kits, e.g. The Extra Care Housing Toolkit¹⁷, Housing LIN SHOP¹⁸ and evidence prepared by health and well-being boards together with comparisons with other local authorities.

“The need to provide housing for older people is critical¹⁹”

¹⁴ Paragraph 43 - Appeal Decision APP/Q3115/W/19/3220425 Land to the east of Reading Road, Lower Shiplake, 14 October 2019

¹⁵ NPPG Paragraph: 015 Reference ID: 63-015-20190626

¹⁶ NPPG Paragraph: 004 Reference ID: 63-004-20190626

¹⁷ Care Services Improvement Partnership, Department of Health (2006) The Extra Care Housing Toolkit.

¹⁸ Housing LIN (2011) Strategic Housing for Older People (SHOP) Resource Pack.

¹⁹ NPPG Paragraph 001 Reference ID: 63-001-20190626

3.2 With specific regard to planning and the supply of homes for older people, the PPG sets out the following guidance for local planning authorities:

- **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 LPA will consider proposals for the different types of housing that these groups are likely to require.
- Can 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.²⁰
- Include the provision of housing for older people for **monitoring progress** when preparing the Authority Monitoring Report.²¹
- **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. Plan-makers need to consider the size, location and quality of dwellings needed 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.²²
- **Allocating sites** can provide greater certainty for developers and encourage the provision of sites in suitable locations, which may be appropriate where there is an identified unmet need. Location is a key consideration with factors including proximity to good public transport, local amenities, health services and town centres.²³

Recommendation Four:

The local plan should **set indicative figures or a range for the number of specialist housing for older people needed across the plan area** and throughout the plan period and this must recognise the diverse models that exist.

Recommendation Five:

The local planning authority must **monitor the delivery of specialist housing for older people and deliver action plans to address under provision.**

Recommendation Six:

The local plan should consider the **inclusion of specialist housing for older people within appropriate strategic or other site allocations** subject to consideration of need, site and locational factors and deliverability.

Evidence base and approach for local plan-making

Evidence base and methods

- 3.3 From Carterwood's research,²⁴ the typical average age for entry to private extra care housing is 80 to 82 years, with an age range of 70 to 90 years forming the bulk of residents. Typically, single females occupy 65–70% of units, couples 20–25%, and single males 10%. As such, it is important to assess the relative age profile of a catchment market in order to establish the size of the population matching this demographic, both in relative and absolute terms.
- 3.4 Older people will make a conscious choice to move into an extra care scheme and own or rent their property. This also means that the choice can be a large financial decision, often coinciding with a need to leave the larger family home, as well as an emotional decision.
- 3.5 The key demographic profile is where the household reference person (HRP), as defined by the Census 2011, i.e. the decision maker of any buying decision, meets the following criteria:
- 65+ years – we know from empirical evidence that the average age of those entering private extra care is 80+ years of age, and typically those entering sheltered housing is 70+ years. Therefore, the key demographic is the 65+ year age group.
 - Owns their property outright – therefore has the required equity in their own property to form the means of being able to make a private property purchase or rental decision.
- 3.6 It is important the evidence base properly assesses supply and demand, given the substantial increase in the elderly demographic, the high proportion of home ownership for those aged 65+ and the rapidly increasing cost of caring for the elderly population. The growth in the elderly demographic is not considered the best way of predicting demand for particular types of elderly care and accommodation, as traditional residential care homes make way for new forms of accommodation and care.
- 3.7 By considering older people's preferences should they need care, The Housing LIN SHOP toolkit advises that although over 60% of people wish to remain in their home, this decision may be limited by choice rather than preference. Often a choice is made based on what is available with a decision being made following a crisis event, when need is greatest. It suggests indicative levels of provision of various forms of accommodation for older people, including extra care and enhanced sheltered housing available on a long leasehold basis or for rent.
- 3.8 In 2004, Kerslake and Stilwell²⁵ estimated that about one-third of the population entering a care home *'could have moved to a form of housing with care as a viable alternative, with a further third who could have managed in such housing had they moved at some time earlier in their care history'*. Other models for estimating demand for supported housing and housing markets and independence in old age include Ball (2011).²⁶
- 3.9 LaingBuisson's 'Extra Care Housing UK Market Report'²⁷ does not provide a tool for assessing demand, but instead refers to the demographic factors that are likely to influence demand, as follows:
- An expansion of the older population;
 - A reduction in the pool of young adults available for training as nurses or care assistants to work in the community or care homes;
 - An increase in the number of middle-aged people looking after children and a parent;
 - An increase in the proportion of older people with a living child;
 - Changes in the health and dependency levels of older people; and
 - Changes in the patterns of immigration by potential care workers and emigration by trained care staff.

²⁰ NPPG Paragraph: 006 Reference ID: 63-006-20190626

²¹ NPPG Paragraph: 007 Reference ID: 63-007-20190626

²³ NPPG Paragraph: 012 Reference ID: 63-012-20190626

²⁴ NPPG Paragraph: 013 Reference ID: 63-013-20190626

²⁴ Carterwood Focus, Issue 13 (2014) Extra care housing – where do residents come from?

²⁵ Kerslake, A and Stilwell, P (2004) What makes older people choose residential care, and are there alternatives? Housing Care and Support

²⁶ Ball, M (2011). Housing Markets and independence in old age: expanding the opportunities. Henley, University of Reading

²⁷ LaingBuisson (2015) Extra Care Housing UK Market Report, Thirteenth Edition

3.10 LaingBuisson's Age Standardised Demand (ASD) rates for care home beds shows a trend whereby demand for residential care beds has reduced as alternatives to residential care are developed.

3.11 The use of comparative evidence and indicators from a variety of sources is a useful method to ascertain the indicative level of need for extra care in a particular local authority area. There will remain other accommodation options available, in addition to retirement communities, including remaining in their own homes, moving to traditional sheltered housing, a care home or to another informal care setting. Most importantly, it is necessary to have a full understanding of the various forms of care and accommodation, knowledge of schemes and their availability, and input from a range of sources to determine appropriate indicative levels of need over the plan period (including existing shortfalls).

3.12 The methods of determining demand in a given area reveal a clear message; that **there is a strong and increasing demand for new forms of care and accommodation as an alternative to traditional residential care**, alongside an increased requirement for nursing and dementia care homes for those with the highest care needs. The difficulty in trying to accurately assess demand for extra care housing is that, due to the relatively new nature of the product, there is no position of over-supply upon which to assess a position of balance. Essentially, the additional supply creates 'demand' when it is developed.

3.13 The government's response to the Inquiry into Housing for Older People (2019),²⁸ included the following points and which the local authority should consider in their plan preparation:

- *'We have a rapidly ageing population. The needs of older people are now different from previous generations and their aspirations around housing and lifestyles have changed dramatically.'*

- **Offering older people a better choice of accommodation can help them to live independently for longer, improve their quality of life and free up more family homes for other buyers.**

- *We recognise that the **integration of housing with health and social care services is a vital part of ensuring that people are able to live healthier, more independent lives for longer.***

- *We agree that more older owner-occupiers, living in low value housing, should have the opportunity to move to more appropriate housing as they age. At present, new commercial specialist older people's housing tends not to cater for this market while new supported housing is largely targeted at the most vulnerable. We are keen to encourage innovative approaches, especially from local authorities and housing associations.*

- **More of all types of housing for older people – extra care, sheltered and accessible housing – need to be built across the social and private sectors.**

- *Older people moving home in later life could be part of the solution to tackling the housing shortage but there is little evidence to support this. We agree that further research into the impact of older people moving home on the housing market could contribute to a stronger evidence base to inform policy making.*

- *It is important that providers use clear terminology (with regard to the different types of specialist housing), so that people can make informed choices.'*

“There is a strong and increasing demand for new forms of care and accommodation as an alternative to traditional residential care.”

Evidence base and approach for local plan-making

3.14 The government's Social Care White Paper, 'Caring for our Future',²⁹ committed to provide **support to help local authorities develop their market capacity to provide greater choice for users and drive up quality in care services.** The Developing Care Markets for Quality and Choice programme, launched by the Department of Health in 2012, is intended to support local authorities to improve capacity through **preparing or improving their market position statements.**

3.15 The 2013 'Top of the Ladder' report by Demos,³⁰ the leading cross-party think tank, provided some key findings:

- *'Retirement properties make up just 2% of the UK housing stock, or 533,000 homes, with just over 100,000 to buy. One in four (25%) over-60s would be interested in buying a retirement property – equating to 3.5 million people nationally.'*
- *More than half (58%) of people over 60 were interested in moving. More than half (57%) of those interested in moving wanted to downsize by at least one bedroom, rising to 76% among older people currently occupying three, four and five-bedroom homes.*
- *If just half of the 58% of over-60s interested in moving (downsizing and otherwise) were able to move, this would release around £356 billion worth of (mainly family-sized) property – with nearly half being three-bedroom and 20% being four-bedroom homes.'*

3.16 The report suggested a number of national policy recommendations to assist in overcoming these problems:

- *'Giving retirement housing special planning status akin to affordable housing, given its clear and demonstrable social value.'*

“One in four (25%) over-60s would be interested in buying a retirement property.”

- *Tackling S106 and community infrastructure levy (CIL) planning charges, which make many developments untenable and affect them disproportionately compared with general needs housing developments'.*

- *Quotas and incentives for reserving land for retirement housing, and linking this to joint strategic needs assessment and health and well-being strategies for local areas.'*

3.17 Inspired Villages recommends clear policies in development plans to support new retirement communities. The evidence is clear, as are the benefits to support the approach and deliver much-needed specialist accommodation for the elderly.

3.18 The 'Shining a Spotlight on the hidden housing market' report included a survey of 200 individuals from a variety of backgrounds in the UK later living sector, from local authorities to private developers, care operators and designers. Some 97% of respondents thought that the development of later living accommodation would play a key role in alleviating the housing crisis and 73% thought that the demand for later living accommodation would significantly increase in the next 5 years, while 89% felt that planning laws would need to change to boost later living development and 33% are calling for a 'Retirement Villages Act'.

3.19 Some of the strategic recommendations from the report is that there should be legislative and policy suggestions for local and national government, including reform of planning policies, tax breaks for older people looking to 'right-size', and the appointment of a dedicated minister responsible for the needs of older people.

²⁸ Government response to the second report of 2017-2019 of the Housing, Communities and Local Government Select Committee Inquiry into housing for older people. (September 2018)

²⁹ HM Government (2012) Caring for our future: reforming care and support
³⁰ Wood, C (2013). The Top of the Ladder. Demos

Local planning authority plan-making

- 4.1 Many local authorities are increasingly aware of the variety of accommodation and care options available to enable the elderly to receive care within their own homes, and as a more cost-effective alternative to residential care. In certain areas, they are considering the potential for the reconfiguration of dated and under-used sheltered housing stock to provide additional, affordable extra care housing.
- 4.2 In reality, upgrading sheltered housing to extra care suitable for those with increasing care needs is rarely the most efficient solution, as existing developments are often too small to enable the required economies of scale to deliver 24-hour on-site care, nor are they able to provide the layout and additional communal facilities necessary to form a genuine extra care community.
- 4.3 Housing LIN consider that the later living market needs to be made both acceptable and financially viable to enable older people to move from unsuitable accommodation (too large to manage, costly to maintain, poorly located or ill-equipped to deal with changing needs) to better, thoughtfully designed homes in sought-after places. *'Right-sizing does not mean a compromise on design'* and new homes that are accessible and adaptable and can meet with the current and future lifestyle goals of potential residents.
- 4.4 There is a strong wish for older people to remain independent for as long as possible, and extra care housing appeals to this desire. The key issues leading people to move into extra care are health and care requirements, frequently prompted by the death of a spouse or partner. The decision to move is often strongly influenced by immediate relatives, and the more frail or vulnerable the elderly person, the more this applies. Aspects such as accessibility and convenience for visiting play a major role in the decision making.
- 4.5 An estimated six million people provide significant support to elderly relatives, neighbours and friends across the UK. This factor contributes additional demand, as carers understand the benefits associated with their charges moving to an environment where some of the care burden can be shared, allowing them to remain, sometimes indefinitely, outside of the care home environment. Additionally, the family is often involved in a decision to move a loved one to an extra care scheme located more conveniently, so that regular visits are more easily made and concerns over 'welfare at a distance' can be eliminated.
- 4.6 In 2019, ARCO partnered with ProMatura to conduct the biggest ever study of retirement communities,³⁰ with surveys of residents representing 81 communities and 15 different care operators, which provided evidence of the huge health, wellbeing and security benefits for residents.
- 4.7 The main reasons given for moving to a retirement community were cited as being: less need for property maintenance, access to communal facilities, and the availability of 24-hour support and domiciliary care on site. The benefits of living in extra care included: being more active and healthier for longer, the ability to enjoy life, having greater control, and feeling safe and secure, with a consequent reduction in loneliness.
- 4.8 The **resultant recommendations for action** set out, amongst others, that the government and local authorities should:
- *'Develop a legal and regulatory framework for Retirement Communities to bring the UK into line with leading countries around the world*
 - *Develop a clear definition and terminology for Retirement Communities and recognise the significant contribution they are making to our health and social care systems*
 - *Provide more funding and land for affordable housing in Retirement Communities*
 - *Undertake further research on the level of Retirement Community supply and demand in their areas*
 - *Ensure they have provisions in their local plans for Retirement Community housing*
 - *Partner with specialist Housing Associations with expertise in extra care Retirement Communities to increase provision.'*

³⁰ ARCO with research by ProMatura International (2019) Housing, Health and Care. The health and wellbeing benefits of Retirement Communities.

Local planning authority plan-making

- 4.9 Tailored housing that is accessible, well designed and well located for facilities may reinvigorate a person's social life through their offer of a wide range of activities and communal areas that provide opportunities for making new friends. There is evidence that residents have better health outcomes than older people living elsewhere; designs that minimise the risk of falling, for example, and social facilities that reduce feelings of loneliness.
- 4.10 By providing an attractive alternative type of accommodation in the form of extra care housing, older homeowners may benefit from releasing equity from their existing properties, which they can use to fund their retirement years. Extra care housing can also contribute to addressing wider housing market concern, by releasing their homes onto the market for families.
- 4.11 There are other benefits in promoting care villages as they can reduce the demand upon health and social care. Research from Aston Research Centre³¹ in 2015 set out that the NHS saved more than **£1,000 per year on each resident** living in Extra Care Charitable Trust's schemes between 2012 and 2015. The Homes for Later Living 'Healthier and Happier' report³² suggests that each person living in older people's housing contributes to a fiscal saving to the NHS and social care of approximately **£3,500 per annum**. Inspired Villages typical model providing 150 units would generate a population of approximately 195 residents (average occupancy 1.3 persons per unit) being **equivalent to over £680,000 savings to the NHS and social care every year, a significant benefit**.
- 4.12 As an operator, unlike residential developers, Inspired Villages considers the long-term ownership and management of the site; therefore, it is vital that we secure suitable sites and planning permissions that allow the implementation of a viable development. It is often very difficult for an operator, such as Inspired Villages to secure sites on the open market due to competition from residential developers who do not provide the level of facilities or care that a retirement community does.
- 4.13 The inclusion of positive policies to support extra care housing could give landowners an incentive to proceed with this type of development over a residential developer and can be partly justified on the basis that extra care / retirement community developments are relatively self-contained (because of the extensive communal facilities on-site); lower traffic generation, which are predominantly off-peak (because residents do not commute to work); are employment generators; and can result in savings to the NHS and adult social care, amongst other significant benefits.
- 4.14 We recommend that the local planning authority properly engages with the extra care sector regarding the potential for including this form of development in strategic site allocations to ensure this would be deliverable, or an appropriate site location. The sector is an emerging market and operators do not tend to have strategic land, meaning they may not be able to promote potential sites at the time the local plan is being prepared.
- 4.15 To avoid being prejudiced, LPAs should consider whether policies allow for a greater degree of flexibility for proposals for specialist housing for older people on land that may otherwise be inappropriate for standard residential development, for example, adjacent to settlement boundaries where those settlements provide a certain level of services and facilities. Such a policy approach has been applied in local planning authorities, such as Hart District, South Northamptonshire and Horsham District. (See examples at back of document.)

Recommendation Seven:

The local plan and its evidence base **must recognise the significant benefits associated with specialist housing for older people** and this can inform planning decision making.

³¹ Holland, C (2015) Collaborative Research between Aston Research Centre for Healthy Ageing (ARCHA) and the ExtraCare Charitable Trust

³² WPI Strategy for Homes for Later Living (2019) Healthier and Happier; An analysis of the fiscal and wellbeing benefits of building more homes for later living

Local planning authority plan-making

Recommendation Eight:

The local plan should set out different policy requirements, for example, affordable housing, for specialist housing for older people (C2 use) compared to residential development within the C3 use class and the evidence base, viability must be taken into account the different circumstances between the uses (e.g. retirement communities / extra care provide significant levels of communal facilities / non saleable floorspace and their ongoing maintenance and management, staffing, funding, etc). Where there is doubt, policies should provide sufficient flexibility for specific circumstances, which may include viability, to be assessed through a planning application.

4.16 Inspired Villages recognises that some local planning authorities have specifically considered the need for policies to be adopted to support the delivery of affordable extra care type housing, but Inspired Villages is concerned to ensure that local planning policy also gives sufficient policy support for the full range of specialist housing provision to serve older people, including private sector extra care housing / retirement communities, as set out in the definitions of specialist housing in the PPG. The need identified for both affordable and private tenures, and **LPAs have a duty to plan for the delivery of development to meet all housing needs.** The 'critical need' has been identified in the PPG and the requirement to ensure

sufficient land is available to address housing requirements of groups with specific needs and incorporate policies that deliver housing for all is identified at **paragraphs 59 and 61 of the NPPF.** Private sector retirement community developments are one of the options (along with care homes, affordable models, and sheltered housing) that will contribute towards addressing the need.

4.17 In addition to responding to this duty, **planning policies that support the delivery of specialist housing for all older people, regardless of financial means, are of significant benefit to social care and NHS funding.** This is because, individuals who plan for their future by using their own private financial means to secure accommodation in a setting that supports their health and wellness, without or before the need to call on the NHS and social care, will significantly reduce their need to draw on these socially funded services. LPAs should not underestimate the beneficial effect that supporting development proposals that facilitate people to fund and plan for their own health and wellness.

4.18 We therefore strongly encourage the **LPA produce policy, which supports the delivery of specialist housing to meet the needs of older people in line with the requirements of the NPPF and the PPG** which states *"where there is an identified unmet need for specialist housing, local authorities should take a positive approach to schemes that propose to address this need."*³⁴

Rectory Homes Judgement

Rectory Homes Ltd sought permission for 'the erection of a 'Housing with Care' development (use class C2) for 78 open market extra care dwellings and a communal residents centre' in Thame, South Oxfordshire. Both the applicant and the local planning authority were in agreement that the proposed use fell within use class C2, but there were differing opinions as to whether an affordable housing contributions was required.

The question to be determined by the Court was whether the proposed C2 units were 'dwellings' for the purpose of the development plan policy. The Court concluded that units of accommodation that allow for independent living comprise dwellings despite falling within use class C2 meaning that an extra care development may be caught by a widely drafted policy requirement to provide affordable housing.

As a consequence the decision has the potential to cause significant difficulties for the sector, resulting in an increased reliance on viability assessments, resulting in further cost and uncertainty in the planning process. This has the potential to disincentivise delivery of a much-needed form of specialist accommodation in circumstances where providers are already at a disadvantage against traditional residential developers due to the inherent costs within a retirement community development.

It is important that the drafting of affordable housing is precisely worded to reflect its applicability to C3 residential dwellings, particularly where the Council's evidence base viability work has not assessed retirement communities.

³⁴ NPPG Paragraph: 016 Reference ID: 63-016-20190626

Examples of other local authorities taking a similar policy approach

Hart Local Plan Strategy and Sites 2016-2032 (as of April 2020 local plan pending adoption):

Policy H4 - Specialist and supported accommodation (as per main modifications)

Proposals for specialist and supported accommodation that meets the needs of older persons or others requiring specialist care will be permitted:

- a) On sites within settlement boundaries and within the new community at Hartland Village; and
- b) On sites in the countryside provided:
 - i. There is a demonstrated local need for the development in that area; and
 - ii. There are no available or viable alternative sites within settlement boundaries where the need arises; and
 - iii. The site is well related to an existing settlement with appropriate access to services and facilities either on or off site.

South Northamptonshire Part 2 local plan (Emerging):

Proposed policy LH6 - Specialist housing and accommodation needs (including proposed modifications)

Proposals to meet older persons / specialist housing needs for two or more dwellings will be supported on suitable sites that are within the settlement confines subject to the following criteria:

- a) The location is well served by public transport or within walking distance of community facilities (within 400m) such as shops, medical services, public open space, and social networks appropriate to the needs of the intended occupiers, or where this is not the case, such facilities are provided on site; and
- b) The scale, form and design of the development is appropriate to the client group and in relation to the settlement where it is located; and
- c) Highway, parking and servicing arrangements are satisfactorily addressed; and
- d) Gardens and amenity space are provided and are of an appropriate size and quality.

Proposals for older persons / specialist housing on suitable sites immediately adjacent to the settlement confines of Rural Service Centres and Primary Service and Secondary Villages (A) should meet all of criteria (a) to (d) above and:

- e) The scale of development should be clearly justified by evidence of need in the district; and
- f) Evidence is provided which demonstrates that there are no alternative suitable available sites within the adjacent confines

Horsham District Planning Framework (November 2015)

Policy 18 Retirement Housing and Specialist Care

1. Proposals for development which provide retirement housing and specialist care housing will be encouraged and supported where it is accessible by foot or public transport to local shops, services, community facilities and the wider public transport network. The Council will particularly encourage schemes that meet identified local needs for those on lower incomes and provide affordable accommodation for rent or shared ownership / equity.

2. Large scale 'continuing care retirement communities' will be supported in appropriate locations, normally within defined built-up areas, where they can be justified in terms of meeting identified need, and:

- a) Provide accommodation for a full range of needs, including care provision separate from the self-contained accommodation;
- b) Include 'affordable' provision to meet identified local needs, or where this is not possible, provide an appropriate commuted sum in lieu of on-site units; and
- c) Include appropriate services and facilities, including transport, to meet the needs of residents / staff and which contribute to the wider economy.

Vale of Aylesbury District Council Main Modifications

Suggested new policy - H6b Housing for older people - in addition to identifying two site allocations and four broad locations for the provision of C2 accommodation, also proposes:

3. Proposals for C2 older people accommodation, planning permission will be granted subject to the following criteria:

- a) The proposal is in a sustainable location for amenities and services
- b) There is an identified package of care provision on site
- c) Minimum Clinical Commissioning Group inspected space standards are met or exceeded
- d) Facilitates social and recreational activity
- e) Guest accommodation per unit (unless the proposal is for Extra Care Sheltered Accommodation)