

Written evidence submitted by Inspired Villages [FPS 167]

I am Stuart Garnett, Planning Director of Inspired Villages. I have been a chartered town planner since 2003 and have worked in planning for over twenty years, starting in local government, then planning consultancy before joining Inspired Villages in July 2019.

Inspired Villages is a developer and operator of retirement communities in the UK. We have six operating villages with a further 14 sites legally secured, and which are under construction, have planning consent or are in the planning stage. Inspired Villages is majority owned and fully funded by Legal & General.

Legal & General is one of the UK's leading financial services groups and a major global investor. With over £1.2 trillion in total assets under management, they are the UK's largest investment manager and over ten million customers across the world rely on them to help save for the future and protect their families and their homes. Legal & General entered the later living sector in the UK in August 2017 and are investing for the long-term to deliver thousands of much needed accommodation for older people and it is vital that the planning system can respond to the challenge.

In responding to the terms of reference for the inquiry, my evidence is in response to questions 1, 4 and 7.

Recommendations

Inspired Villages makes eight recommendations, which all local planning authorities must adopt in plan making to assist the delivery of specialist housing for older people. In many respects these recommendations are not new, perhaps already set out in the PPG or other documents. What needs to happen is for these recommendations to be set out clearly for all local authorities to adhere to.

The current situation is that many local authorities still do not have policies nor adequate site allocations to meet, in full, the housing need for older people. An Irwin Mitchell Report (July 2020) 'Unlocking potential for senior living' found that 50% of Councils do not have any specific planning policies nor site allocations to make provision for housing for older persons. To that end it is essential that national policy and guidance must set out the following clear requirements to local authorities and this should be a component in the soundness of plan making.

Further supplementary justification is provided in italics after each numbered recommendation.

1. Local Plans must be based on a clear understanding of specialist housing for older people drawing upon national guidance and other sources, particularly regarding use class and recognising the different types of specialist housing which exist, i.e. retirement housing, retirement communities (includes extra care, retirement villages), and care homes.

There has been, and continues to be an inconsistent approach to plan-making and decision taking at a local level across the country, which causes uncertainty for developers and operators within the later living sector, resulting 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.

The Housing for Older and Disabled People Guidance (2019) was helpful in setting out the different types of specialist housing to meet the diverse needs of older people. However, we still observe many local authorities fail to acknowledge these different typologies in their evidence base documents and local plan drafting. This has been compounded by the PPG not being clear on the use class and leaving it to the discretion of each local authority exacerbating the inconsistent approach applied across the country.

It is important a range of tenure types are provided to meet the housing need for older people. In areas where there is high prevalence of home ownership, the policy should encourage higher rates of private extra care delivery to match tenure. Someone who is over-65 and a home owner would not be eligible for affordable extra care housing. Therefore, in an area where home ownership in over-65s is high, e.g. 60/70/80% it is not logical that an affordable housing policy should seek 40% from an extra care scheme.

2. Local Plans 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.

The PPG made reference to the existence of online tool kits and named the SHOP@ toolkit by the Housing LIN. There have been issues regarding this particular toolkit and it has been withdrawn by the Housing LIN. There needs to be wider engagement in the sector to identify 'best practice' to inform the evidence.

The evidence base must properly assess supply and demand, given the substantial increase in the elderly demographic, the high proportion of home ownership for over-65s and the rapidly increasing cost of caring for the elderly population. There needs to be adequate choice for older people based on a range of sources. Some will choose to remain in their existing home, whilst others will want to go into specialist housing for older people or even into care. By providing a better choice can help people to live independently for longer, improve their quality of life and free up more family homes for other buyers (Source. 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)).

There is a strong and increasing demand for new forms of care and accommodation as an alternative to traditional residential care and the evidence base must reflect this.

3. Local Plans must set out clear and specific policy / policies to address housing needs for older people (e.g. retirement housing, retirement communities, care homes) 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. Local Plans must 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.

It is not appropriate for local authorities to apply the same policies for C3 residential development to specialist housing for older people, especially extra care (C2). There are clear material differences as acknowledged in the PPG. Clear guidance must be provided to local authorities on this basis. For example, it is not possible for a C2 extra care development to attract the same affordable housing requirement as C3 residential as the latter does not have the same high costs for development. An extra care development includes significant levels of communal facilities / non saleable space (typically around 25%) which are normally delivered early, have higher construction costs, longer build period, slower sales rates, etc. Such clarity will similarly assist the Council's viability evidence base.

5. A Local Plan must set figures or a range for the amount of specialist housing for older people needed across the plan area throughout the plan period and this must recognise the diverse models that exist.

There is no standard method for calculating housing needs for older people. This means assessments undertaken as part of the evidence base to inform a local plan will vary between local authorities. There is still a lack of understanding from most local authorities and their consultants on the different typologies of specialist housing. This results, amongst other issues, in some authorities confusing the need for bedspaces (care or nursing home) with need for units of accommodation (e.g. retirement housing or extra care housing), or perhaps making un evidenced assumptions.

It is recommended that a roundtable session is held between government, local authorities, developers and operators in the later living sector and consultants to establish a standard method to ensure the approach adequately reflects the unmet demand for specialist forms of housing particularly where the need to provide housing for older people is identified as 'critical' in the PPG.

As a minimum, measurements of need should be based on projections of growth in households aged over 65 with an assumption that the % of older people wishing to live in a retirement community in the UK is in line with international comparators at 6% of over-65s and specific measurements of housing need for this and other specialist sectors should be defined accordingly. As an illustration, AgeUK estimated that in 2019 there were 11,989,322 over-65s. Retirement community provision at a prevalence of 6% would equate to a specific target of

providing accommodation for 719,359 over-65s. This highlights the potential capacity for the sector which must be planned for.

In addition to the proposed incorporation of household growth since 2014 in general housing being used to help inform future projections, specific projections of growing demand for specialist housing such as retirement communities/extra care should take into account the percentage growth of the housing sector since 2014. This measurement should also consider the demographic growth which underlies household growth. The ONS found that between 2008 and 2018 there was a 55% increase in households occupied by a man aged 65 to 74 years and a 20% increase for men aged 75 years and over. In 2018, nearly half of those living alone (48%) were aged 65 years and over, and more than one in four (27%) were aged 75 years and over. This indicates both a growing need for specialist housing for older people and the level of under-occupied housing which would become available if this demand is met.

In mitigation against the overall projections of household growth, assessments should be made of the reduced need for housing resulting from larger houses freed up by older people according to the number of retirement properties built in an area. Research from Professor Les Mayhew of the Business School (formerly Cass) found that each additional retirement property released an excess of 2.25 bedrooms per property, meaning fewer units of general housing are required to meet overall demand (Source: 'Planning for Retirement: How Retirement Communities can help meet the needs of our ageing population', ARCO and CCN (2020)).

6. Local Authorities must monitor the delivery of housing for older people and deliver action plans to address under provision.

Local authorities should be required to publish annually consents, completions and pipeline of specialist housing, recognising the different typologies. This will enable monitoring to be made how local authorities are meeting, in full, their unmet needs for specialist housing.

7. Local Plans must 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.

Operators such as Inspired Villages do not have 'land banks' and new sites tend to be opportunity based, meaning it is difficult to promote a site through a local plan, for example, the plan may have already been adopted. This means we are reliant on there being appropriate site allocations in a local plan and this does not always happen and is certainly not common across the country. This affects the ability to deliver more sites and hence explains why this type of development is usually in a countryside / out of settlement location.

8. Local Plans must recognise the significant benefits associated with specialist housing for older people and this can inform planning decision making.

There are clear and significant benefits associated with specialist housing. These have been acknowledged in various planning appeal decisions in recent years (APP/D380/W/19/3241644

para's 80 to 112)) and which have been documented in various sources such as the Aston Research Centre for Healthy Ageing (2015). These benefits include, amongst other considerations:

- *Meeting the needs for older people*
- *Freeing up family homes*
- *Employment generation*
- *NHS and social care savings*

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 development.

Green belt

Finally, in turning to the proposed planning reforms and in respect to green belt. The designation of greenbelt land as 'protected' in the white paper is not rational when the purpose for the designation of the greenbelt, post-WW2, was to prevent the physical growth of large built-up areas, rather than having a specific environmental function. If a true reform of the planning system is the aim, then the purpose and designation of greenbelt land needs to be reconsidered, based on an evidence-based approach, in order to enable appropriate growth.

I hope that the evidence supplied in this letter is of assistance to the inquiry and we would be pleased to provide any further clarifications.

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