

The Planning Bureau Limited

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Dover District Local Plan 2040

Examination in Public

Hearing Statement

The Planning Bureau on behalf of

McCarthy & Stone Retirement Lifestyles Ltd.

October 2023

Matter 5 – Type and Mix of Housing

Issue 1 – Affordable Housing and Viability – Policy SP5

Issue 2- Type and Mix of Housing – Policy H1

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1.0 Issue 1 - Affordable housing and Viability Policy SP5

Q1 How was the Dover Urban Area defined for the purposes of Policy SP5? Does it reflect the evidence in the Whole Plan Viability Study¹⁷ and Viability Study Update Note¹⁸?

1.1 For Council

Q2 How will affordable housing be delivered in the Dover urban area as a result of Policy SP5?

2.0 For Council.

Q3 Are the assumptions regarding infrastructure and Section 106 costs in the Viability Study Update Note still broadly accurate following updates to the IDP? What implications, if any, does the latest evidence in the IDP have on the viability of residential development and the ability to deliver affordable housing?

3.0 For Council.

Q4 Based on the requirements for qualifying developments, how many affordable homes is the Local Plan expected to deliver? How does this compare to the identified need? If needs will not be met, what alternative options has the Council considered?

4.0 For Council.

Q5 What is the justification for the suggested changes to Policy SAP5? Why are they necessary for soundness?

4.1 The Council proposes a change ref AM14 (document SD06 Schedule of Additional Modifications to the Regulations Submission Plan, March 2023) to the supporting text to SP5 under the title 'Implementation' para 3.91 as follows:

'3.91 This policy will be applied to proposals of either 10 or more dwellings or sites over 0.5ha in all areas outside of Dover Urban area or those in Designated Rural Areas ~~for including~~ all C3 uses and ~~most~~ some specialist housing schemes, for example, age restricted dwellings or older persons schemes that have some element of care / communal facilities provided but are independent units. which may be classified under Use Class Order C2.'

4.2 This change appears to re-iterate that schemes delivering specialist housing for older people will be required to deliver affordable housing in line with policy SP5.

4.3 To support the variable affordable housing requirement of Policy SP5, the Council has undertaken a Viability Study entitled Dover District Council, Whole Plan viability Study (HDH, November 2020) ('Viability Study') (ref GEB08a). As part of the Viability Study, we note that both brownfield and greenfield options for housing for older people has been tested and this includes typologies for sheltered and extra care housing (see page 184-186 of Viability Study). Fourteen scenarios have been tested for each type of housing, with seven being on brownfield sites and seven being on greenfield sites. Seven different affordable housing scenarios, 0%, 5%, 10%, 15%, 20%, 25% and 30% have then been tested for each of the four scenarios.

4.4 The Viability Study which must underpin the proposed affordable housing target in the policy concludes at paragraph 10.83 to 10.85

'In the case of Sheltered housing, the appraisals produce a residual value that is over the BLV at 30% Affordable Housing on greenfield sites, but only 5% on brownfield sites. (10.83)

In the case of Extracare housing, the Residual Value does not exceed the BLV, even without Affordable Housing (10.84)

Care should be taken when considering additional policy requirements in this sector' (10.85)

- 4.5 It is then noteworthy that the preferred location for older persons housing is in proximity to established local facilities and services – ie brownfield locations, and **the Study determines that schemes will only be viable with a 5% affordable housing provision for sheltered housing and not viable for extra-care housing on brownfield sites across the district.**
- 4.6 The Viability Study then goes on to somewhat casually dismiss this finding with its reference at 10.86:

'When considering the above, it is important to note that paragraph 10-007-20180724 of the updated PPG specifically anticipates that the viability of specialist older people's housing will be considered at the development management stage. It is therefore not necessary to develop a specific Affordable Housing policy for Sheltered and Extracare Housing'.

- 4.7 The PPG on Viability confirms at paragraph: 002 Reference ID: 10-002-20190509 that *'The role for viability assessment is **primarily at the plan making stage**. Viability assessment should not compromise sustainable development but should be used to ensure that **policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.....Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the **planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.*****
- 4.8 Paragraph 004 Reference ID: 10-004-20190509 of PPG on Viability confirms what is meant by a typology approach to viability:

*'A typology approach is a process plan makers can follow to ensure that they are creating realistic, **deliverable policies** based on the type of sites that are likely to come forward for development over the plan period.....*

In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development.....

*Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. **Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.***

*Plan makers will then engage with landowners, site promoters and developers and compare data from existing **case study sites to help ensure assumptions of costs and values are realistic***

*and broadly accurate.....Plan makers may then revise their proposed policy requirements to ensure that they are **creating realistic, deliverable policies.***

- 4.9 Paragraph 007 Reference ID: 10-007-20190509 of PPG on viability confirms the circumstances where Viability Assessment at the **decision making stage** could be appropriate and includes *'for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force.'*
- 4.10 The consultants, who undertook the Viability Study, interpretation in paragraph 10.86 of the Viability Study is that older persons housing, despite its proven lack of viability, can simply be assessed at the application stage. This appears to have been accepted without question by the Council as Plan Making body. Paragraph 10-007-20190509 of the PPG, falls under the heading of 'Viability and Decision Taking' not 'Viability and Plan Making'. The Council have used this paragraph to disregard the typology testing that has been undertaken for Plan Making and simply assert that older persons' housing can be tested at the decision making stage.
- 4.11 We submitted representations to the last two stages of the Dover Local Plan consultation regarding the affordable housing policy, more latterly policy SP5, both making the same or a very similar case. Our representation to the Dover Submission Draft Plan (rep 782) was summarised within SD05d (Appendix F: Regulation 20 Representations Summary and Council Response, March 2023) that it was *'Not justified to apply policy to older persons housing schemes, as not in accordance with evidence base or NPPF (782)'*. However, in our view this is not the case and the policy approach is contrary to PPG and the evidence with Viability Study.
- 4.12 In response to our representation within SD05 d the Council maintain that *'The majority of brownfield sites allocated are in the Dover Urban area. The policy allows for viability case to be submitted for other brownfield sites elsewhere in the district. Evidence and national policy supports the requirement that all C3 use (Dwellinghouses) should be required to meet the Affordable housing policy. Additional Modification AM14 clarifies the requirements of SP5 in relation to C2 use/older persons/ specialist housing schemes'*.
- 4.13 The Council have correctly tested the sheltered / retirement housing typology at this plan making stage in line with para 004 Reference ID: 10-004-20190509 of PPG on Viability, but despite retirement /sheltered housing with affordable housing being found to be substantially not viable especially on brownfield sites (para 10.83 and 10.84 of the Viability Study), the Council have taken the view, that such schemes, that come forward in settlements outside of the Dover Urban Area such as Sandwich and Deal and suburbs of Dover such as Whitfield and Temple Ewell, can be subject to a viability assessment at the decision-making stage. If the Council is going to take this approach, it begs the question why it viability tested retirement housing in the first place? The answer is that it is the right thing to do following PPG guidance and it is perverse to now disregard the outcome of the testing.
- 4.14 We welcome that the Council have assessed the sheltered / extra care housing typology through the Viability Study, however it shows that sheltered / extra-care housing cannot deliver affordable housing, especially on brownfield sites as well as other policy requirements that hold additional costs and remain viable. The Council have then ignored the outcomes of the testing in the Viability Study with the assumption that schemes proposing housing to meet the needs

of older people can simply be viability tested at the application stage. This view as well as ignoring their own Plan Making evidence, contrary to NPPF para 31, will lead to further viability assessment at the decision-making stage and long, protracted, and probably adversarial, negotiations with Council officers and commissioned consultants and resulting difficulties with decision makers expecting policy compliancy and impacting on delivery.

- 4.15 Any affordable housing requirement for older people's housing on brownfield sites, where older person's housing is predominantly delivered, creates an unrealistic, over aspirational policy requirement that will undermine deliverability. The plan as written, will not deliver much needed older peoples housing in line with need without further viability assessment and is therefore not justified or effective.
- 4.16 The Councils approach is therefore contrary to national policy guidance (NPPF para 31) and given the PPG on viability (Paragraph: 002 Reference ID: 10-002-20190509) the Council have not taken appropriate account of the Viability Study (table 10.17 and 10.18) and policy SP5 should be modified to provide exemption for older persons housing schemes from providing affordable housing on brownfield sites. This is to ensure the plan is realistic, sound, deliverable, justified and consistent with national policy. Planning applications for much needed Older Person's housing can then proceed without the need for further Viability Assessment at the decision-making stage with protracted negotiations. This approach would also be consistent with other Council's Local Plans. For example, both Swale and Fareham Borough Council's, based on detailed viability evidence have adopted Local Plan's that exempts older people's housing schemes from affordable housing. In addition, Fareham are at Examination on an update to their Community Infrastructure Levy charge that also exempts the majority of older people's housing schemes from the CIL charge.

Recommendation

- 4.17 Change AM14 should not therefore be implemented. A Main Modification is instead needed to the plan that exempts specialist housing for older people on brownfield sites from delivering affordable housing. Para 3.91 should therefore be amended to read:

*'3.91 This policy will be applied to proposals of either 10 or more dwellings or sites over 0.5ha in all areas outside of Dover Urban area or those in Designated Rural Areas ~~for including~~ all C3 uses and ~~most~~ some specialist housing schemes. **Schemes on brownfield sites delivering specialist housing for older people in either the C2 or C3 use class are exempt from affordable housing.***

- 4.18 In addition, policy SP5 point 1 should be amended as follows:

*'1 The Council requires the provision of affordable housing on schemes of 10 dwellings or more (and on sites of 0.5 hectares or more), and in Designated Rural Areas, on schemes of 6 dwellings or more, with provision being not less than 30% of the total housing provided on the site. This is with the exception of the Dover Urban Area, as set out on the policies map, where there will be no requirement for affordable housing to be provided **and for schemes delivering specialist housing for older people on brownfield sites across the district.***

5.0 Issue 2 – Type and Mix of Housing – Policy H1

Q1 Paragraph 62 of the Framework states that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies, including housing for older people and people with disabilities. What is the need for housing for older people and how will this be met over the plan period?

Older person's housing need

- 5.1 In our representation to the Dover Local Plan to 2040, Regulation 19 Submission, October 2022 (SD01) rep 780/781 we noted that the Council identifies at para 7.4 of the draft plan that *“The SHMA also prescribes that 576 units of housing for older people and 66 units of housing with care should be provide within the identified need and identifies a need for 990 additional spaces of Registered Care for housing those aged 65 and over between 2020 and 2040. This forms part of the institutional population and is in addition to the housing supplied within the local housing need identified above”*.
- 5.2 We identified in our response to the regulation 19 submission consultation and the 2021 regulation 18 version of the Local Plan that the very low Housing with Care (also known or Extra Care) requirement is surprising as generally there is a high level of need for such accommodation and active encouragement should be provided given that housing for older people aims to maintain independence with the help of care tailored to the needs of the individual. This is an attractive alternative to the formalised living environment of a Care Home. We recommended through both the regulation 18 and regulation 19 consultations that the evidence should be reviewed. This has not been undertaken as the same need figures have been taken forward. We also recommended that the housing requirement for older persons housing even at the low figure, is some 5% of the overall housing requirement and therefore a significant consideration and proportion of housing need that the Local Plan should address which again doesn't appear to have been considered fully.
- 5.3 Government's policy, as set out in the revised NPPF, is to boost significantly, the supply of housing. Paragraph 60 reads *“To support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.”*
- 5.4 The revised NPPF looks at delivering a sufficient supply of homes, Paragraph 62 identifies within this context, the size, and type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including older people.
- 5.5 In June 2019 the PPG was updated to include a section on Housing for Older and Disabled People, recognising the need to provide housing for older people. *Paragraph 001 Reference ID: 63-001-20190626 states:*

“The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is [projected to double to 3.2 million](#). Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population

affects housing needs is something to be considered from the early stages of plan-making through to decision-taking” (emphasis added)

Paragraph 003 Reference ID: 63-003-20190626 recognises that:

“the health and lifestyles of older people will differ greatly, as will their housing needs, which can range from accessible and adaptable general needs housing to specialist housing with high levels of care and support.”

- 5.6 Thus, a range of provision needs to be planned for. Paragraph 006 Reference ID: 63-006-20190626 of PPG on ‘Housing for Older and Disabled People’ sets out;

“plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people. These policies can set out how the plan-making authority will consider proposals for the different types of housing that these groups are likely to require.”

- 5.7 Therefore setting the correct level of need and recognising that housing for older people has its own requirements and cannot be successfully considered against criteria for general family housing is important.

- 5.8 Although the Council has indicated the level of housing need for older people within para 7.4 of the plan we **do not** feel that the evidence used is fully justified. The figures are derived (or summarised) from the Dover Strategic Housing Market Assessment Partial Update Part 2 update, Peter Brett Associates, December 2019 (HEB01c). Para 6.7 describes the methodology used to identify older persons needs and at para 6.7 states:

“The model examines the future requirement of two types of specialist housing; housing for older people and housing with care. Currently there are an estimated 1,056 units of housing for older people and 121 units of housing with care in Dover District. The current prevalence of housing for older people is 95 per thousand head of population aged 75 in Dover District, whilst the prevalence of housing with care is 11 per thousand head of population aged 75 in the District. The SHOP model presumes that, given the significant projected growth in the future population of those aged 75 or over, it is appropriate for authorities to plan to deliver these two types of accommodation at the national prevalence rates in the future, which are 121 units of housing for older people per thousand head of population aged 75 or over, and 15.5 units of housing with care per thousand head of population aged 75 or over. However, the original SHMA found that this approach led to an overestimate of the likely future requirement of this type of housing and it was more suitable to presume that current occupation rates are likely to continue, which more closely reflect the current expectations of local households”.

- 5.9 If the national figures had been used to try and overcome what appears to be an existing shortfall in older person’s housing the need figures identified would be higher. It should also be noted that the original SHMA, part 2 entitled ‘OAN for Affordable Housing’ by HDH Planning and Development, 2017 (HEB01b) at para 6.11 says ‘If it is presumed that occupation patterns remain at current levels then there is a requirement for 1,178 additional specialist units of which 1,055 should be sheltered housing and 123 extra-care housing. The requirement for 1,178 additional specialist units for older people represents 10.3% of the total household growth for the period 2014 to 2037. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over, then 2,641 additional specialist units are required which constitutes 23.2% of the total household growth. As varying the occupation rate has such a dramatic effect on the

overall requirement, it may be appropriate for the Council to pursue the lower of these two figures, which is closer to the current expectations of older households and monitor how usage patterns develop over time' and para 7.6 states 'In terms of specialist dwellings for older persons (class C3b), as set out in Chapter 6, it is evidenced that in Dover District an additional 353 affordable and 825 market sheltered and extra-care housing units should be provided over the plan period within the identified Objectively Assessed Need'.

- 5.10 It is therefore unclear as to how the need figures in para 7.4 has been derived and appears to be low. These figures should have been reconsidered by the Council in line with our representations to both the regulation 18 and regulation 19 plans. Nevertheless, the housing requirement for older persons housing even at the low figure is some 5% of the overall housing requirement and therefore a significant proportion of housing need that the Local Plan should address fully to be consistent with national policy, effective and justified. To assist delivery of this need, schemes delivering specialist housing to meet the needs of older people on brownfield sites should also be exempted from affordable housing.

Recommendation:

- 5.11 The housing requirement for older people's housing as expressed in para 7.4 should be reconsidered and amended in line with a realistic level of need.

Q2 What is the justification for the threshold in Policy H1 of 10 dwellings?

6.0 For Council.

Q3 Is it clear what the 'Council's latest evidence' relates to for the first paragraph of Policy H1, and what 'extensive and robust' evidence means for the second part of the policy? Is the policy sufficiently clear enough to be effective

- 7.0 As noted above in our response to Issue 2 Question 2, overall even using the Council's lower housing need figure, the evidence identifies a considerable need for specialist housing for older people that equates to over 5% of the overall housing requirement. Yet, and mindful of the PPG guidance, the only reference to addressing the housing need of older people is within H1 that states:

"Development proposals for stand alone older persons housing or other specialist housing are exempt from this requirement and will be supported in principle where the need has been identified by extensive and robust evidence, and where they can be located in a suitable and sustainable way".

- 7.1 Given the identified high level of need, the policy should not require applicants for older people's housing to prove need. It is also unclear what the phrase 'where the need has been identified by extensive and robust evidence' would require.

- 7.2 Although it is acknowledged that the Council is seeking to deliver some older persons' housing on allocations (3 allocations), the policy as drafted also infers that the housing needs of older people can simply be met by any housing development over 10 units, including a required proportion (i.e 5% or 1 unit in a 20-unit scheme) being older persons housing. This approach misunderstands the concept of older person housing which are group/communities based around shared services. Schemes are normally at least 30 units in order to support those

services. Developers should not be required to demonstrate need given the many benefits that such developments bring.

- 7.3 It is therefore clear there will be a significant increase in older people over the Plan Period in the District and the provision of suitable housing and care to meet the needs of this demographic should be a priority of the emerging Local Plan in line with the draft plan's evidence especially given national policy requirements. Policy H1 para 2 should therefore be amended, as housing need for this group to support planning applications is not required, to delete reference to an 'extensive and robust evidence' as follows:

*'Development proposals for standalone older persons housing or other specialist housing are exempt from this requirement and will be supported ~~in principle where the need has been identified by extensive and robust evidence, and~~ where they can be located in ~~a suitable and sustainable way~~ **locations**.*