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planningissues
TOWN PLANNING AND ARCHITECTURE

[redacted]

Planning Policy Team
Havant Borough Council

9th September 2026

By Email Only

Dear Sir/Madam,

CHURCHILL LIVING & MCCARTY & STONE RESPONSE TO THE DRAFT HAVANT BOROUGH COUNCIL LOCAL PLAN: BUILDING A BETTER FUTURE

Please find below our comments on the draft policies within this consultation insofar as they impact the delivery of specialist accommodation for older persons.

Comments are submitted on behalf of Churchill Living and McCarthy & Stone who together, deliver circa 90% of dedicated older persons housing for sale in the UK each year. The comments reflect the two company's significant experience in delivering specialist housing for older people. Both companies engage in plan making across the UK and are well placed to provide comment on policies which work to facilitate the delivery of housing for older people.

Comments were previously submitted in respect of the Planning for the Future Plan 2040 draft as part of the Regulation 18 consultation exercise in November 2022 as well as the further consultation which closed in July 2025. These previous comments identified the national context in regard to both the policy and demographics of the ageing population in the UK, subsequently highlighting the need for older persons housing.

This Local Plan representation is made in response to the current consultation running until 9th September 2026.

National Policy

It is important to note that a revised NPPF was published in August 2026 which included a range of national development management policies. We note that the Havant plan will be assessed under the December 2024 NPPF. However, it is important to note that the new NPPF will be a material consideration in assessing planning applications immediately and may necessitate an immediate review of forthcoming policies within this emerging plan.

Policy HO1 of the 2026 NPPF, in the context of establishing housing needs, requires LPA's to assess the size, type and tenure of housing for different groups which includes housing for older people and specifically includes retirement housing, housing-with-care and care homes. Policy H05 requires the development plan to set out policies to address the housing needs of different groups including older people. This includes identifying sites or parts of allocated sites which can provide a specific type of housing. It is likely that, given the ageing population that the council's evidence base will indicate that policies must plan for the delivery of significant numbers of additional older person housing units over the next 10-20 years.

On this basis we note that the NPPF now under 'national decision making policies' contains policy at HO9 that specifically addresses specialist forms of accommodation which includes 'housing for older people' and identifies that housing for older people should be '*being located*

where residents will be able to access frequently-used services easily and safely by walking, wheeling (including mobility scooters) and public transport; including through on-site provision where applicable; and being delivered to M4(2) or M4(3) accessibility standards.'

The PPG on housing for older and disabled people identities at Paragraph: 001 Reference ID: 63-001-20190626 that the need to provide housing for older people is critical and that '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'. Paragraph: 006 Reference ID: 63-006-20190626 then confirms that:

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

Policy 15: High Quality New Homes

Emerging Policy 14 states that 25% of all dwellings should be designed to meet the M4(2) standard for accessible and adaptable dwellings with an equal proportion across market and affordable housing on new build developments of 10 dwellings or more (gross); and In addition, at least 2% of the total number of affordable dwellings on the site should be designed to meet the Part M4(3) wheelchair accessible standard on new build developments of 50 dwellings or more (gross).

The policy further states that M(4)3 units should be provided as part of the affordable housing provision. However, there will inevitably be scenarios where no on site affordable housing provision may be appropriate, viable or feasible. **The policy should acknowledge that where no on site affordable housing is provided, no M4(3) provision will be required.**

We would remind the council that in general, the PPG establishes that such requirements should be applied subject to financial viability and site-specific factors.[1]

It is recommended the policy is amended to set out that criteria c) is subject to viability, housing need and site-specific factors.

Policy 16: Low Carbon Development

Policy 16 sets out a range of minimum requirements relating to space heating, energy and renewable energy requirements.

The Government's Written Ministerial Statement (WMS) which was produced in December 2023 require local planning authorities to apply the Standard Assessment Procedure (SAP) metric to measure a building's energy efficiency. Only where there is sufficient evidence to support the affordability and viability of development can an authority proceed with exceeding these metrics and any exceedance must be in line with the framework which the Building Regulations uses.

In addition, the council should note that the Future Homes and Building Standards Circular 01/2026 was published on 24th March 2026 amending part L of the Building Regulations. The Future Homes and Buildings Standards will ensure that new homes and non-domestic buildings are built with low carbon heating and high levels of energy efficiency, so that buildings constructed to these standards will not require retrofitting to become zero carbon in use as the electricity grid decarbonises.

[1] PPG Older People Paragraph 009 Housing for older and disabled people - GOV.UK

It is noted that the new NPPF at policy PM13 with respect to setting standards states the following:

'iii. Energy efficiency, for which any standards that go beyond the current or proposed Building Regulations should have a clear and robustly costed rationale which shows that there will not be an adverse impact on the viability and deliverability of development. Any such standards should be expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP) or other approved calculation methodology.'

This reconfirms the standards that are expected to be used in Local Plans.

Havant Borough Council is consulting on a policy approach based on the Low Energy Transformation Initiative (LETI) energy metric. This should now be updated given the publication of the Future Homes Standards and the 2026 NPPF.

We would remind the council that any such requirements must be appropriately viability tested and that any requirements which attempt to go beyond the requirements established at a national level, risk housing delivery given that developments may become unviable. The plan wide viability study underpinning the local plan states in this regard that on the 13th December 2023 a Written Ministerial Statement (WMS) was published indicating the (now former) Government does not expect LPAs to set their own targets on energy efficiency in buildings and seeks the use of a specific metric if such targets are sought in the local plan. The background to this is purported to be concern over an increasing lack of consistency in how energy efficiency policies are applied to development, in as much as this might conceivably slow down the supply of new housing.

Therefore, whilst the local plan viability study adds an additional cost to the viability appraisal to seek to show additional requirements are technically viable, a further risk exists on the ground relating to supply chain, economies of scale and technical skills in installing and managing more onerous requirements.

We recommend that this policy seeks to adopt nationally prescribed standards set out within the Building Regulations and Future Homes Standards. The plan wide viability study has demonstrated that in lower value areas, the enhanced requirements may struggle for viability with 0% affordable housing. There is a risk that if this policy is not amended, development in lower value areas may not come forward due to viability constraints.

Policy 20: Biodiversity Net Gain

As this policy repeats national policy, we would question whether the policy is necessary to make the plan effective.

Policy 38: Affordable Housing

The emerging policy requires that provision is made for a range of 10-30% depending on the nature of the existing site. The policy requires a very specific mix of affordable tenures including social rented, affordable rented and affordable home ownership. Affordable housing should be provided on site unless for exceptional circumstances where a broadly equivalent sum may be provided off site either via a commuted sum or in kind.

The policy is supported by an updated 2026 viability assessment prepared by DSP on behalf of the council. Its conclusions are that policy should reflect the site specific circumstances of each application on a case-by-case basis. It is noted that since the 2025 consultation, flatted development on previously developed land including older persons housing is now deemed to be viable with only 10% affordable housing.

However, there remains a range of inputs to the sheltered typology we disagree with. In particular developer profit at 17.5% which is below the 20% figure routinely agreed locally and

at planning appeals for the typology. Sales and Marketing costs are also underestimated, and sales rates are much higher than the market experiences thereby underestimating finance and empty property costs.

It is made clear within the PPG that Local Plans should test for viability at the plan-making stage:

> *'Viability of housing for older people will be considered at the development management stage. It is not necessary or proportionate to develop policies for all types of non-standard development'.* (Paragraph 10-007-20180724)

The PPG also emphasises the typology approach that should be taken to viability testing and Paragraph: 004 (Reference ID: 10-004-20190509) of the PPG states that.

> "*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'.*

It is also confirmed at paragraph: 002 Reference ID: 10-002-20190509 of the Viability PPG, as well as paragraph 58 of the NPPF 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'* and that '*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'.***

It should also be acknowledged that specialist forms of accommodation, like retirement and extra care housing, should be treated differently to that of open market development. Given the misunderstanding across many local authorities, advice was brought forward by the Retirement Housing Consortium within the paper entitled 'A briefing note on viability' prepared by Three Dragons, May 2013 (updated February 2013 ('RHG Briefing Note').

The RHG Briefing Note establishes how sheltered housing and extra care development differs from mainstream housing and looks at the key variables and assumptions that can affect the viability of specialist housing for older people.

The RHG briefing note identifies that the following should be modelled:

- Sheltered: 50-60 units at a density of 100-120 dwellings per hectare with communal / non chargeable space of 20-30%
- Extra care – 40-50 units at a density of 80-100 dwellings per hectare with communal / non chargeable space of 35-40% .

Sales periods

Older persons housing schemes that typically consist of flatted development of 40 – 60 units cannot be phased and must be fully built and operational from month 1 of sales. Sales periods are typically longer for retirement housing than for general housing with a typical scheme taking around 36-48 months to sell or even beyond 60 months for larger sites. The build period takes approximately 12 to 18 months. **This longer sales period should be accounted for within any future viability assessment given that the current assessment is showing 1.5 sales per month. Sales rates within the retirement market are typically well below 0.7 sales per month so roughly half of what is assumed within the study.**

Empty property costs

Due to the long sales period older persons housing schemes experience higher void costs as schemes take longer to sell than general needs housing. A typical average empty property

cost per unit is £7,000 for sheltered and £10,000 for extra care. This covers costs such as council tax and service charges on unsold units.

Marketing costs

Given the longer sales period, there is a longer and more supportive marketing / sales programme for specialist retirement housing needed compared to general needs, typical marketing costs are 6%. The RHG Briefing Note establishes how sheltered housing and extra care development differs from mainstream housing and looks at the key variables and assumptions that can affect the viability of specialist housing for older people. This should be included in any future viability assessment.

Professional fees

Brownfield and small to medium scale nature of sites on which older persons housing come forward, it is understood that a 10% allowance for professional fees is felt reasonable. If a higher percentage for professional fees was included within the viability Assessment for Older Peoples housing this would reduce viability of older persons housing if considered.

Profit

The NPPG is clear that potential risk is accounted for in the assumed return for development and assumed to be between 15-20% of gross development value for plan making purposes but alternative figures may be appropriate for different development types and typologies (Para 018 Reference ID:10-018-20190509). There are a number of inherent sector specific risks with older person housing which materially differ to that of general needs housing including an inability to phase and allow for risk reappraisal.

Older Persons housing must be fully completed and operationally ready before sales commences as older people are less likely to buy 'off plan' without seeing for example the benefit of the communal facilities. The above provides a slower return on investment and a longer period of uncertainty in the market and cost exposure. An acceptable return for risk in respect of retirement living proposals is not less than 20% of gross development value. This is consistent with the Inspector conclusions at Appeal for the McCarthy and Stone proposal at Redditch (Appeal Ref: 3166677), the Churchill Retirement Living proposal at Cheam (Appeal Ref: 3159137) and the Churchill Retirement Living scheme at West Bridgford (Appeal Ref: 3229412) in 2019.

It is clear from Appeal precedent that 20% return on gross development value represents the minimum acceptable return in respect of housing for older people proposals for the reasons outlined. **If a higher percentage for profit was included within the Viability Assessment for Older Peoples housing, than the 17.5% used, this would reduce viability of older persons housing.**

Local Plan costs.

In addition to typology specific costs, a whole host of other costs must be considered. This includes the cost of achieving Biodiversity Net Gains, as per the Environment Act 2021, and the rising costs of achieving the policy requirements for renewable and low carbon energy. This is particularly pertinent to small-medium sized brownfield development, as opposed to larger scale greenfield developments.

Our experience elsewhere of affordable housing provision is that it is commonly agreed that older persons' housing cannot provide full percentages of affordable housing or indeed often cannot provide for any affordable housing. More and more local planning authorities are acknowledging this position within local plans and exempting specialist housing for older people form providing affordable housing. This is the correct approach.

As an example, emerging policies in both Birmingham and Charnwood propose affordable housing exemptions in respect of proposals for housing for older people having found through their plan wide viability assessments that viability was constrained for these typologies.

Birmingham

> *Due to the specific viability challenges of delivering older persons' housing, the evidence suggests on the basis of the market research, appraisal inputs and policy requirements, Older Person's Housing is exempted from Affordable Housing provision.*

Charnwood

> *Our viability evidence shows that neither sheltered housing nor extra care housing developments are likely to be viable if a contribution towards affordable housing is sought.*

In addition, Fareham Borough Council recently adopted their new local plan and Policy HP5 of the plan states:

> *The Viability Study concludes that affordable housing is not viable for older persons and specialist housing. Therefore, Policy HP5 does not apply to specialist housing or older persons housing.*

We also note that at the recent Horsham District Council local plan examination, the inspector noted that the viability of older persons housing was more finely balanced than other forms of residential development and directed officers to amend their affordable housing policy accordingly.

The respondents are of the view that similar conclusions could be made in this case in respect of housing for older people whereby a reduced or even zero affordable housing requirement would be more appropriate if tested correctly.

Even without adjusting the assumptions applied, the results of viability testing within the stage 2 study in respect of sheltered housing show a position where only the highest value locations might result in viable outcomes. Our view is that the values shown within the study will not be achievable within the type of brownfield locations older persons housing may be brought forward.

We recommend that the viability study is updated to reflect the RHG best practice guidance in respect of viability of older persons housing. Policy 38 should be updated to provide specific guidance as to how older persons housing development will address this policy. For example, it is clear that a 10% requirement on a 40 unit older persons housing proposal will not yield sufficient affordable housing to be delivered on site (even if it was viable). The policy should acknowledge that any viable affordable housing on older persons housing proposals will be accepted as a commuted sum payment and an appropriate methodology set out for clarity based upon impact on land value.

Policy 39: Housing Mix

Development proposals of 10 or more new homes (gross) will be expected to provide a range of dwelling types and sizes to meet identified local housing need and to foster balanced, sustainable and integrated communities.

It is recommended that this policy further states that in respect of housing for older people, a range of typologies will be provided to address the needs of specialist housing groups which facilitate downsizers.

Policy 40: Retirement and Specialist Housing

The provision of a policy supporting the delivery of housing for older people is welcome. As noted at the outset, the 2026 NPPF provides a national policy in respect of older persons housing and it may be wiser to refer to this national policy rather than seeking to introduce a local policy.

We welcome the allocation of sites within the plan specifically for older persons housing which is a positive enabling approach by the council.

Conclusions

We would be grateful if you could advise us of future opportunities to comment the emerging local plan evidence base and the next stages of the examination.

Thank you for the opportunity for comment.

Yours faithfully,

[redacted]

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