planningissues
TOWN PLANNING AND ARCHITECTURE

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Planning Policy Team
Greater Cambridge

25th September 2026

By Email Only

Dear Sir/Madam,

CHURCHILL LIVING & MCCARTY & STONE RESPONSE TO THE DRAFT GREATER CAMBRIDGE 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.

Churchill Living and McCarthy & Stone previously made comments in respect of earlier versions of the plan including earlier in 2026. This identified the national context in regard to both 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 25th 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 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.

Policies 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 20 years.

On this basis we note that the NPPF now under 'national decision making policies' contains a 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 H/AH: Affordable Housing

The emerging policy requires that:

All major developments for housing will provide at least 40% of the new homes on site as affordable housing, unless: a different requirement is set out within the allocation policy, the development is on land within the Green Belt, or it is a Co-living development where a financial contribution for off-site provision is to be provided. This requirement applies to all residential developments of self-contained dwellings, including those for Build to Rent or specialist accommodation, and also to Co-living developments for the equivalent of 10 or more dwellings (calculated using the other communal accommodation units to dwellings ratio in the Housing Delivery Test).

The policy is supported by an updated July 2026 viability assessment prepared by Aspinall Verdi on behalf of the council. The assessment concludes in respect of older persons housing that:

*Our appraisals show that Older Persons Living schemes have mixed viability results. Extra Care schemes in high value areas are viable, but in mid-value areas (and therefore also low-value areas), reductions in planning contributions or other inputs would be required for them to be viable. Reductions in planning contributions or other inputs would also be required for Sheltered Housing schemes to be viable. (*ES 26)

The evidence base therefore fails to demonstrate that a 40% affordable housing target is justified and is therefore not consistent with national policy.

Additionally, there remains a range of inputs to the sheltered typology we disagree with. 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. Sales rates within the retirement market are typically well below 0.7 sales per month.**

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.

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 A/AH 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 H/SH: Specialist Housing

The provision of a policy supporting the delivery of housing for older people is welcome. However, 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.

Policy CC/NZ: Net zero carbon new buildings

Whilst Council's commitment to meeting both its and the UK Government's target of net zero carbon emissions is commendable, it appears that the Council is going to achieve this through having mandatory carbon and climate standards from adoption of the plan that may go beyond government targets. However, it is our view that any requirement should be 'stepped' in line with Government targets and the proposed changes to the building regulations.

This approach is confirmed within the Ministerial Statement (statement no : Statement UIN HCWS123 available from Written statements - Written questions, answers and statements - UK Parliament) released on 13th December 2023. The ministerial statement confirms that with respect to the net zero goal….

'*The improvement in standards already in force, alongside the ones which are due in 2025, demonstrates the Government's commitment to ensuring new properties have a much lower impact on the environment in the future. In this context, the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations. The proliferation of multiple, local standards by local authority area can add further costs to building new homes by adding complexity and undermining economies of scale. Any planning policies that propose local energy efficiency standards for buildings that go beyond current or planned buildings regulation should be rejected at examination if they do not have a well-reasoned and robustly costed rationale'* and '*To be sound, local plans must be consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in the National Planning Policy Framework and other statements of national planning policy, including this one'*.

The viability evidence has not justified these requirements in respect of older persons accommodation.

As such the council should consider deleting the policy and aligning the Council's requirement for carbon neutral development with those of Government would therefore be pragmatic, more achievable and consistent with national policy.

Recommendation:

- The policy is deleted as Net Zero Carbon development is to be dealt with via the Building Regulations.

Policy BG/GI: Green and blue infrastructure

Amongst other areas the policy introduces the concept of an urban greening factor.

The council should note that it is often expensive to deliver 'Urban Greening' including green walls and roofs, as well as being costly and difficult to maintain. Without good management practices, these features can suffer and become a visual amenity issue rather than a benefit. There can therefore be viability issues with urban greening as there can be significant costs for the installation of green features such as green walls and roofs that is not included in the viability study.

The council should note that the Urban Greening requirements in London have severely impacted on the delivery of housing in London since the London Plan was adopted in 2021, to the degree that the government has recently announced an emergency package of measures aimed at accelerating housing building in London given slow delivery which in our view has been caused by the viability challenges

The Council will be aware of the increased emphasis on Local Plan viability testing in Policy DM5 of the NPPF and that the PPG states 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"* (Paragraph: 002 Reference ID: 10-002-20190509). The evidence underpinning the council's policy requirements should therefore be robust and be used to form deliverable and realistic policies.

The council should therefore reconsider the policy requirement and ensure it is realistic and viable. As it stands, the application of this policy to older persons housing is not justified as the viability evidence does not support it.

Conclusions

We would be grateful if you could advise us of future opportunities to comment on 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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