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Torbay Council
Town Hall
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Via email: future.planning@torbay.gov.uk

23rd September 2026

Dear Sir / Madam

McCARTHY & STONE & CHURCHILL LIVING RESPONSE TO THE TORBAY LOCAL PLAN REGULATION 19 CONSULATION.

Thank you for the opportunity to comment on the Torbay Local Plan consultation.

McCarthy & Stone (MS) and Churchill Living (CL) are independent housebuilders specialising in specialist housing for older people. Together, they are responsible for delivering approximately 90% of England's specialist owner-occupied retirement housing. Both operators are therefore well placed to provide comment on the policy barriers that may have the potential to restrict supply within the sector.

Please find below our comments on the draft local plan insofar as they impact the delivery of specialist accommodation for older persons. These comments are intended to assist the council in formulating approaches which are both workable in practice and avoid stymying the delivery of a housing typology which the PPG describes as 'critical' in terms of addressing housing need.

Strategic Policy H7: Affordable Housing

Policy H7 sets a variable affordable housing requirement based on the size of site reaching 30% on schemes of 20 or more units. For schemes of 14 or less the policy implies that a financial contribution will be suitable.

We note that consultation has been published without the supporting evidence of an up-to-date viability study as we have not been able to find such a document. This appears to be the case given that para 7.16 of the draft plan states a '*A Whole Plan Viability Assessment is being prepared as part of the Plan Preparation*'.

It is therefore difficult to ascertain if any of the options put forward are realistic or deliverable. This is surprising given the stage of plan production and we would advocate that to not publish viability study at this late stage of plan production is contrary to national policy. By limiting scrutiny of the Local Plan Viability Assessment the Council is reducing the opportunities for comment on a crucial element of the evidence base that will inform policy and deliverability directly and the Local Plan would be less robust as a consequence.

The council will be aware of the increased emphasis on Local Plan viability testing in Paragraph 58 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.....*

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*It is the **responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies.** Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.*

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’.

The viability evidence underpinning the council’s policy requirements should therefore be robust and be used to form deliverable and realistic policies. This has not occurred and the plan and evidence has not been undertaken in collaboration with developers. As such the plan is not justified, effective or consistent with national policies. Any supporting viability assessment must be prepared in collaboration with key stakeholders and this has not occurred. The plan as a whole is therefore not justified, effective or consistent with national policy. If a viability assessment is to be published in the future this must be consulted on the and the regulation 19 plan amended based on its conclusions.

The council should also note that the viability of specialist older persons’ housing is more finely balanced than ‘general needs’ housing and we are strongly of the view that the older person’s housing typologies should be robustly assessed separately. It cannot be simply regarded as standard housing. Specialist housing schemes for older people tend to be based around communal facilities and community living and delivered on smaller sites. Older persons housing therefore differs from a standard model of development because as confirmed within the PPG (Paragraph: 010 Reference ID: 63-010-20190626) it generally has additional facilities such as extensive communal areas, such as space to socialise, a wellbeing centre as well as a care service with 24 hour access to support services and staff, meals are also often available. This enables residents to live much more independently than they would otherwise. However, the facilities do take up floorspace which make the viability of such schemes much more finely balanced.

Undertaking viability of older person’s housing schemes separately would accord with the typology approach detailed in Paragraph: 004 (Reference ID: 10-004-20190509) of the PPG which 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”. If housing for older people is not assessed separately to market housing, the delivery of much needed specialised housing for older people may be significantly delayed with protracted discussion about policy areas such as affordable housing policy requirements which are wholly inappropriate when considering such housing need.

If this is not done, the delivery of specialist housing for older people may be significantly delayed with protracted discussion about other policy areas such as affordable housing policy requirements which are wholly inappropriate when considering such housing need. The worst-case scenario is the introduction of a policy which completely stymies the delivery of this typology.

We would direct the Council towards the Retirement Housing Consortium paper entitled ‘A briefing note on viability’ prepared for Retirement Housing Group by Three Dragons, May 2013 (updated February 2016 (‘RHG Briefing Note’) available from. <https://retirementhousinggroup.com/wp-content/uploads/2025/08/CIL-viability-appraisal-issues-RHG-February-2016.pdf>

The RHG Briefing Note establishes how sheltered housing and extra care development differ from mainstream housing and looks at the key variables and assumptions that can affect the viability of specialist housing for older people. These key variables include unit size, unit numbers and GIA, non-saleable communal space, empty property costs, external build cost, sales values, build costs, marketing costs and sales periods and significantly variable benchmark land values.

The following should be noted within viability testing:

Unit numbers / GIA / Density

A typical sheltered housing / retirement living scheme would consist of 45 dwellings on a gross site area of 0.45 hectares creating a density of 100 units per hectare. Extra care housing tends to have a lower density (due to more non saleable area) and a typical scheme would consist of 60 units on a 0.75-hectare site at a lower density of 80 units per hectare.

As discussed earlier, the unit numbers will be much less if M4(3) units would be required.

Unit Size

Typical units sizes are larger than minimum space standards to allow for additional storage and circulation space to facilitate downsizing:

- 1 bed sheltered 55 sq. m and 2 bed sheltered 75 sq. m
- 1 bed extra care 60 sq. m and 2 bed extra care 80 sq. m

As discussed earlier, these unit sizes will be much larger for M4(3) units.

Unit mix

A typical scheme provides 1 and 2 bedroomed apartments using a mix of 60% 1 bed and 40 % 2 bed units on a development. This is the case for both sheltered (retirement) and extra care (retirement living plus) schemes.

Build Cost

The BCIS median rate rebased to the location is appropriate as it represents the cost of a typical of developing the typology in that area.

Non-chargeable / communal space

Older persons' housing has a larger communal and non-saleable areas such as residents lounge, laundries, guest rooms, managers office and wellness rooms. Extra care housing also includes additional facilities such as a restaurant area. For sheltered schemes the non-chargeable space used should be at least 25% and for extra care schemes this should be 35% of GIA.

Where M4(3) units are included, communal space will also be larger.

Professional fees

Given that most specialist housing for older people developments are delivered on brownfield sites, in our experience these often involve more professional advisors associated with contamination, legal fees, drainage, air quality, overheating, sunlight, ecology and noise amongst other areas. We would therefore recommend that a 10% of build cost figure is used for brownfield sites for professional.

Sales and marketing costs

As detailed within the RHG Briefing Note sales and marketing costs for older persons housing schemes are typically 6% of GDV and this should be used within the older persons modelling rather than the 3% level for general housing.

Sales periods

As discussed in the RHG Briefing Note, sales periods of older persons' housing schemes are typically longer for retirement and extra care housing than general needs housing. There is a typical 18 month build period before sales can commence. Sheltered and Extra care schemes cannot be phased but must be fully operational and completed from month 1 of sales / occupation. As detailed within the RHG Briefing Note, once sales commence a rough guide is that 40% of units will be sold at the end of the first year of sales, 30% during the second year of sales and 30% during the third period.

At present, sales rates overall are typically at 0.5-0.6 sales per month and so consideration should be given to extending sales periods in testing given this downward trend in sales rates over many years.

Empty property costs

It is recommended that a standard allowance of £7,000 per unit is assumed as a typical average empty property cost – to cover Council Tax liability on unsold units and service charges (which will be applicable to the whole building from day first resident moves in). This increases to £10,000 for extra care accommodation to reflect higher costs particularly in maintaining care, communal and catering facilities, staff and services and reflecting a slower sales rate than Retirement Living. These costs might in reality be higher due to empty property premiums on council tax now in force for property empty longer than 12 months.

External build costs

From our experience external build costs tend to range from 8% to 15% of base build costs on flatted schemes within urban areas and we therefore feel that an allowance is 10% of base build cost should be used for external build costs for brownfield sites.

Developer Return

PPG sets out that 'For the purpose of plan making, an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers. However, for specialist housing for older people there is a clear precedent for a return of not less than 20% of gross development value primarily because of the risks associated with such developments. This is consistent with the Inspector's conclusions for appeals such as McCarthy Stone proposal at Redditch (Appeal Ref: 3166677), Churchill Living proposal at Cheam (Appeal Ref: 3159137) and the Churchill Living scheme at West Bridgford (Appeal Ref: 3229412) in 2019. A minimum of 20% profit should therefore be assumed for specialist housing for older people.

Policy costs –Biodiversity Net Gain

Any local plan BNG should be applied in line with Policy N1 of the NPPF.

Since the price of statutory BNG units have been published it is able to determine how much BNG may cost and this needs to be incorporated into the viability assessment at a realistic level. In addition, brownfield site BNG costs are often more substantial than Greenfield, but this very much depends on the site characteristics.

For example, if an older person's housing scheme consisting of 50 units on a 0.5 hectare site needed to purchase 1 off-site statutory credit, if this was for the cheapest low quality habitat type this would cost £84,000 or £1,680 per unit given that 2 credits are needed per unit. Older persons housing schemes are ideally located on small windfall sites close to local facilities and it will most likely be that BNG requirements will need to be met largely or entirely off site by contribution.

Any other accessibility and environmental policy requirements must also be costed appropriately as discussed earlier in this response.

Recommendation

The policy has not been justified via a supporting viability assessment, it is therefore not possible to ascertain if the policy is realistic or deliverable and is therefore not sound as it is not justified, effective or consistent with national policy. The policy should be deleted to make the plan sound.

Strategic Policy H11: Specialist housing for people in need of care or support

Point 4iii of the policy aims for specialist housing for older people to meet needs of local people and suggests that '*The occupation of specialist and age restricted accommodation will be restricted to people living in Torbay for a minimum of five years or with a direct family member living in Torbay.*' And that where it is not meeting the need the '*council will seek financial contributions via s106 Planning Obligations to*

meet likely local healthcare and social service costs generated by the development. This should reflect the average additional cost to Torbay Adult Social Care and the NHS arising from inwards migration of people likely to require additional care and support over the lifetime of the development.'

The plan is supported by a Housing and Economic Needs Assessment, May 2022. This has a chapter on specialist housing and in respect to specialist housing for older people to 2035 identifies a need for an additional 848 units of retirement living or sheltered housing, 276 units of housing with care. This amounts to around 85 units per year with respect to retirement living accommodation or around 21% of the total housing requirement that the plan seeks to deliver.

Para 16 b) of the NPPF requires plans to be, amongst other elements, '*b) be prepared positively, in a way that is **aspirational but deliverable***'. Para 34 of PPG on developer contributions reminds council's that '*Such policies should not undermine the deliverability of the plan*'. Para 35 identifies the criteria examiners will look at when examining plans. This includes requiring plans to be positively prepared, justified, effective and consistent with national policy. PPG on Planning Obligations (Paragraph: 002 Reference ID: 23b-002-20190901) states that planning obligations must be '*necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development*'.

In addition, paragraph 58 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).

Given the large amount of need and the role of planning obligations, the requirement for such schemes to be subject to a local connection clause is not necessary and will result in such schemes not being delivered. In addition, the council should note that older peoples housing produces a large number of significant benefits which can help to reduce the demands exerted on Health and Social Services and other care facilities – not only in terms of the fact that many of the residents remain in better health, both physically and mentally, but also doctors, physiotherapists, community nurses, hairdressers and other essential practitioners can all attend to visit several occupiers at once. This leads to a far more efficient and effective use of public resources and has a number of economic benefits detailed below. And is a justification as to why the policy should not require such schemes to contribution financially towards additional healthcare and social care services.

A report '*Healthier and Happier*' An analysis of the fiscal and wellbeing benefits of building more homes for later living" by WPI Strategy for Homes for Later Living explored the significant savings that Government and individuals could expect to make if more older people in the UK could access this type of housing. The analysis showed that:

- 'Each person living in a home for later living enjoys a reduced risk of health challenges, contributing to fiscal savings to the NHS and social care services of approximately £3,500 per year.
- Building 30,000 more retirement housing dwellings every year for the next 10 years would generate fiscal savings across the NHS and social services of £2.1bn per year.
- On a selection of national well-being criteria such as happiness and life satisfaction, an average person aged 80 feels as good as someone 10 years younger after moving from mainstream housing to housing specially designed for later living.'

A further report entitled *Silver Saviours for the High Street: How new retirement properties create more local economic value and more local jobs than any other type of residential housing* (February 2021) found that retirement properties create more local economic value and more local jobs than any other type of residential development. For an average 45 unit retirement scheme, the residents generate £550,000 of spending a year, £347,000 of which is spent on the high street, directly contributing to keeping local shops open.

As recognised by the PPG, Retirement housing releases under-occupied family housing and plays a very important role in recycling of housing stock in general. There is a 'knock-on' effect in terms of the whole

housing chain enabling more effective use of existing housing. In the absence of choice, older people will stay put in properties that are often unsuitable for them until such a time as they need expensive residential care. A further Report *“Chain Reaction” The positive impact of specialist retirement housing on the generational divide and first-time buyers (Aug 2020)* reveals that about two in every three retirement properties built, releases a home suitable for a first-time buyer. A typical Homes for Later Living development which consists of 40 apartments therefore results in at least 27 first time buyer properties being released onto the market.

The council should also note that as well as the above benefits and benefits to the healthcare system most of McCarthy & Stone and Churchill Living’s customers move from within a 5-mile radius and free-up large family-sized houses in the local area.

The requirement expressed in the paragraph is therefore not justified, effective or consistent with national policy as specialist housing for older people actually reduces the burden on healthcare systems and residents generally only move a small distance from their previous home. The section of the policy would undermine deliverability and the requirement should also be tested within any viability study. Both paragraphs should therefore be deleted.

The requirement should therefore be deleted together with a similar requirement in the last paragraph of the policy.

Recommendation:

For the plan to be positively prepared, in line with national policy and effective the following amendments should be made to the policy:

4 The council will support schemes delivering Specialist and age-restricted accommodation (irrespective of use class) **that meet local needs. This includes** ~~should be aimed at meeting the needs of local people, or those with a strong family connection. The occupation of specialist and age restricted accommodation will be restricted to people living in Torbay for a minimum of five years or with a direct family member living in Torbay. Exceptions to this will be provided where one or more of the following apply:~~ i) Specialist accommodation such as specialist dementia care and facilities etc. for Torbay residents with support of adult social care **and** ii)-Affordable housing or institutions (including extra care managed by local lettings agreement)

~~iii) Where specialist accommodation is not restricted to occupation by people with a strong local connection, and (i)- (ii) above does not apply, the council will seek financial contributions via s106 Planning Obligations to meet likely local healthcare and social service costs generated by the development. This should reflect the average additional cost to Torbay Adult Social Care and the NHS arising from inwards migration of people likely to require additional care and support over the lifetime of the development.~~

Delete the last paragraph of the policy:

~~Where development, including residential development, places an additional need upon health services, community or other facilities, the council will seek financial contributions towards the funding of those facilities.~~

Policy CER1: Net zero carbon development standards

Policy CER1 requires residential development, as a minimum, to achieve a 75% carbon dioxide emissions reduction from that required under Part L of the 2013 Building Regulations. It also requires all development to submit an Energy and Climate Change Statement to the local planning authority for approval and implementation, demonstrating how they fulfil the above principle

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.

Policy PM13 of the 2026 NPPF deals with setting quantitative standards. Point b makes it clear that plans should not cover matters already addressed by the Building Regulations other than in a number of cases and this includes at point 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. Although this plan will not be examined under the 2026 NPPF it is our view that the council should try and align its plan as much as possible with the latest requirements to ensure it is not out of date on adoption. The policy area should therefore instead be deleted and the council instead rely on the building regulations.

We would also remind the council that any such requirements must be appropriately viability tested in line with policy PM13 of the 2026 NPPF and PPG on viability 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.

A plan wide viability study has not been published and therefore it is not possible to ascertain if the requirement is viable or deliverable and is therefore contrary to national policy.

Thank you for the opportunity for comment. We would be grateful if you could keep us informed as to the progress of the plan.

Yours faithfully

A handwritten signature in black ink, reading "N. Styles". The signature is written in a cursive, flowing style.

Natasha Styles
Senior Planning Associate