



**When do specialist housing providers need to make affordable housing contributions?**

**What if the product they are marketing is unaffordable to most people?**

**Sue Bridge**

**Director Sue Bridge Consulting Ltd.**



# Extra Care Housing – a Definition

**“Purpose built accommodation in which varying amounts of care and support can be offered and where some services are shared”**

- Department of Health Extra Care Housing Toolkit



# The right kind of housing can help people stay healthy and support them to live independently

‘Housing for Older People’ Communities and Local Government Committee

February 2018

# Context

- Over 12 million people in the UK are aged 65+
- This is forecast to grow by 22% over the next decade
- Within 25 years 1 in 4 people will be over 65
- 6% of children are disabled
- 16% of working aged people are disabled
- 45% of pension aged adults are disabled

Over 5,400,000 people over 65 are disabled

Source ONS and DWP

# Fixing Our Broken Housing Market (Feb 2017)

- Offering Older People a better choice of accommodation can help them live independently for longer and help reduce costs to the social care and health systems. (4.42)
- Helping older people to move at the right time and in the right way could also help their quality of life at the same time as freeing up more homes for other buyers. (4.43)
- The government is committed to exploring these issues further and finding sustainable solutions to any problems that come to light. (4.44)
- Supported housing plays an important role in helping hundreds and thousands of vulnerable people to live independent lives .. Is committed to encouraging further development to meet future need. (4.45)

# NPPF Definitions

- **Older people:** People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.
- **People with disabilities:** People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs.



House of Commons  
Communities and Local  
Government Committee

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## Housing for older people

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**Second Report of Session 2017–19**

*Report, together with formal minutes  
relating to the report*

*Ordered by the House of Commons  
to be printed 5 February 2018*

HC 370  
Published on 9 February 2018  
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# Supply v Demand

We believe that, in the face of demand, there is a shortfall in supply of specialist homes in general and particularly for private ownership and rent and for the ‘middle market’.

This limits the housing options available to older people and the opportunity to derive the health and wellbeing benefits linked to specialist homes.

# Development economics of specialist housing

**Developers struggle to compete because their overall gross development value is higher. They identified the following characteristics of specialist housing as significant in this:**

- Less saleable space as a result of communal areas;
- Larger gross internal area, as a result of communal areas, attracting higher Community Infrastructure Levy (CIL) and section 106 charges;
- Higher density, which attracts higher CIL and section 106 charges;
- Lack of pre-sales (the communal areas must be complete and operating before anyone moves in);
- Little or no phasing;
- A cost to the developer when units remain unsold as they must maintain all services; and
- Higher build costs

# Planning Guidance June 2019: Housing For Older and Disabled People

The need to provide housing for older people is critical.

...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.

Identifying the housing requirements for older and disabled people in local plans – can range from accessible and adaptable general needs housing to specialist housing with high levels of care and support.

# Use Classes Oder 1987 (as amended)

## Class C2

Residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.

## Class C3

- **Dwellingshouses** - this class is formed of 3 parts:C3(a) covers use by a single person or a family (a couple whether married or not, a person related to one another with members of the family of one of the couple to be treated as members of the family of the other), an employer and certain domestic employees (such as an au pair, nanny, nurse, governess, servant, chauffeur, gardener, secretary and personal assistant), a carer and the person receiving the care and a foster parent and foster child.
- C3(b): up to six people living together as a single household and receiving care e.g. supported housing schemes such as those for people with learning disabilities or mental health problems.
- C3(c) allows for groups of people (up to six) living together as a single household. This allows for those groupings that do not fall within the C4 HMO definition, but which fell within the previous C3 use class, to be provided for i.e. a small religious community may fall into this section as could a homeowner who is living with a lodger.

## Planning Use Classes and Extra Care Housing

This Viewpoint explains how extra care housing schemes are treated by planners and discusses the implications of the categorisation of proposals.

The purpose of this Viewpoint is to explore the planning position and provide some thoughts on the things that can be done to ease the planning process. It will become clear, however, that ultimately it is arguable that planning law does not adequately deal with current forms of provision of housing with integral care described as "extra care" housing.

Produced for the Housing Learning & Improvement Network by  
**Nigel King**, Housing & Support Partnership

November 2011

In the past there was little dispute that a residential care home consisting usually of just a bedroom (and possibly a bathroom) but with everything else communal, including meals, was C2. Sheltered housing based on self-contained accommodation with simply a warden or scheme manager and no direct provision of care was housing and thus C3.

# Typologies as set out in PPG June 2019 NPPG para 010 63-01020190626

- **Age restricted general market housing** – over 55's, some shared amenities but does not include support or care services
- **Retirement living or sheltered housing** – purpose-built flats or bungalows, limited communal facilities, provides some support but not care services. Can include on-site assistance/warden or house manager
- **Extra care housing or housing with care** – purpose built or adapted with medium to high level of care, 24 hour access to support services, staff and meals available and extensive communal areas.
- **Residential care homes and nursing homes** – individual rooms within a residential building. High level of care. Do not provide support for independent living (C2)

# Housing for Older People or Retirement Housing

## Types of housing for older people

“Retirement Housing” is a catch-all term for housing which has been designed with older people in mind, from over-55 developments to retirement villages and communities which may offer some level of care. Specific care homes are not usually included in this type of housing.



Source: Knight Frank Research

# How Does the Uses Classes Order apply

- PPG Para 014 ref ID 63-014-20190626:
- **It is for a local authority to consider into which use class a particular development may fall.** When determining whether a development for specialist housing for older people falls within ... C2 or C3 .. consideration could, for example, be given to the level of care and scale of communal facilities provided.

# Viability

It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. Such circumstances could include types of development which may significantly vary from standard models of development for sale (for example housing for older people).

Para 015 63-015- 20190626

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Difficulties in classifying planning applications for extra care housing were identified by planning officers as one of the most significant hurdles to development progress. ...

# Cost Impact of Approved Document M on viability

Table 1: Cost per dwelling over and above current industry practice (£)

	1b flat	2b flat	2b terrace house	3b semi-detached	4b detached
Category 1	—	—	—	—	—
Category 2	940 (289)	907 (289)	523 (578)	521 (866)	520 (866)
Category 3 (adaptable)	7,607 (2,310)	7,891 (4,043)	9,754 (6,065)	10,307 (6,931)	10,568 (6,931)
Category 3 (accessible)	7,764 (2,310)	8,048 (4,043)	22,238 (6,065)	22,791 (6,931)	23,052 (6,931)

Source: EC Harris, Cost impact report published during the Housing Standards Review, 2014

# The HAPPI Design Principles 2009

Generous internal space standards

Plenty of natural light in the home and in circulation spaces

Balconies and outdoor space, avoiding internal corridors and single-aspect flats

Adaptability and 'care aware' design which is ready for emerging telecare and tele-healthcare technologies

Circulation spaces that encourage interaction and avoids an "institutional feel"

Shared facilities and community 'hubs' where these are lacking in the neighbourhood

Plants, trees, and the natural environment

High levels of energy efficiency, with good ventilation to avoid overheating

Extra storage for belongings and bicycles

Shared external areas such as 'home zones' that give priority to pedestrians

# Unlocking the housing market

Helping first time buyers by helping later life buyers

Claudia Wood  
Simone Vibert

November 2017

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DEMOS

## Impact of Affordable Housing

In this report, we present our findings from economic modelling carried out to establish the impact of the current planning charges regime on different types of retirement development. The findings are conclusive: affordable housing contributions, and CIL charges, fundamentally undermine the viability of retirement developments in all their forms. Their presence also paves the way for protracted negotiations and costly appeals, local discretion and uncertainty in the market – regardless of the level at which they are set.

# Housing for Older People

We believe that the level of planning contributions on specialist housing, which are increased as a result of the non-saleable communal areas which are a feature of this type of housing, is impeding the delivery of homes. We recommend either the creation of a sub-category of the C2 planning classification (which currently applies to residential care and nursing homes) for specialist housing, which would reduce the contributions required from developers, or the creation of a new use class for specialist housing which would have the same effect. (Paragraph 126)

HoC Committee for Communities and Local Government Feb 2018

# New C2(c) Use Class

- Age or other restrictions on occupancy
- Shared and communal facilities
  - Gardens and outdoor space
  - Communal lounge, kitchen, laundry etc
- Limited parking
- On site support (Warden)
- Central alarm/emergency support
- Minimum Category 2 and 3 build. Perhaps enshrine the HAPPI principles?
- Provision for a range of support and care if required



# Cooperative and Collaborative Housing

- **Sui Generis – of its own kind.**
- **Older Women’s Co-housing Project**
- **Winner Housing Design Award 2017.**



# Conclusion

The June Planning Guidance on Housing for Older and Disabled People was sadly a missed opportunity to provide clarity for both developers and providers and the local planning authority on the classification of extra care housing and the planning burdens they should bear.

All photos from the Housing Design Awards HAPPI category winners.  
With Thanks.