

PARTIAL REVIEW OF THE FYLDE LOCAL PLAN TO 2032

POLICY H2: DENSITY AND MIX OF NEW RESIDENTIAL DEVELOPMENT

FURTHER COMMENTS SUBMITTED ON BEHALF OF APPLETHWAITE LTD

22nd June 2021

1.0 These comments are made in response to the email of 9th June 2021 issued by the Council inviting comments on three alternate modified versions of Policy H2 and explanatory paragraph 9.46;

- Version 1 - No change to the existing policy
- Version 2 - Minimal changes to the existing policy
- Version 3 - Changes to address all issues raised

1.1 We are responding solely to Version 3 as we do not see the benefit or purpose served by of Versions 1 and 2 following the matters discussed in the hearings and the need to deal with them comprehensively.

Version 3

Policy title - Specialist Housing to meet the Specific Needs of Older People

1.2 This is now better aligned with the PPG and NPPF terminology rather than using “accommodation” and “the elderly”, however it is still overly complicated. Referring to the PPG (63-010-20190626) we consider that the title should either be;

- a) *“Specialist Housing for Older People”* - this is closest to the existing title and simply replaces wording with the up-to-date terminology
- b) *“Specialist Housing to meet the diverse needs of Older People”* - this uses the same wording as the opening sentence of the relevant part of the PPG at (63-010-20190626)

1.3 We have no objection to either a) or b), whereas there is no basis for the Council’s suggested hybrid wording which is not derived from the PPG or the NPPF.

Part 1 - Provision within residential development sites

1.4 Structuring the policy into numbered parts helps its interpretation and application as the Inspector suggested.

- 1.5 Part 1 requires applicants proposing mainstream (i.e. two storey) housing development to design and build at least 20% of dwellings in compliance with optional requirement Part M4(3)(2a) of the building regulations.
- 1.6 We have no objection to the proposed wording of Part 1.

Part 2 - Developments consisting solely of specialist housing to meet the specific needs of older people

- 1.7 It was agreed at the hearing that, in contrast to Part 1, Part 2 is aimed at applicants proposing exclusively specialist housing for occupation by older people. This means that all and any types of specialist housing, including all four examples in the PPG (63-010-20190626) are considered under this part of the policy on the basis that they are specialist (i.e. not un-adapted mainstream two storey housing) and are designed to meet older peoples' needs (i.e. they will not appeal to, will not be sold / let to, and will not be occupied by anyone other, than persons meeting the definition of older people per the NPPF glossary.
- 1.8 A development like our client's, for solely age-restricted Part M4(2) compliant bungalows for market sale, will therefore fall to be considered under this part of the policy, as they meet the specific needs (e.g. a single level living space) demanded by older people. It is not clear why the text includes the words "including residential care homes" as this does not clarify or add anything to the policy.
- 1.9 We have no objection to Part 2 on this basis but per the policy title, the needs of older people should be referred to as being "diverse" rather than "specific" to be consistent with the PPG (63-010-20190626).

Part 3 - Specialist housing to meet the specific needs of older people: required features

- 1.10 Whereas it was confirmed at the hearings that Part 3 was not intended to apply to all of the various types of specialist housing for older people to which Part 2 applies, the suggested change now reverses this and amalgamates Part 3 and what would have been Part 4, although that is now deleted. The purpose of Part 3 as it is now suggested, is therefore to say that all types specialist housing for older people qualifying to be considered under Part 2, are also now considered under Part 3 and those meeting the criteria of Part 3, do not have to provide affordable housing.
- 1.11 This serves the Council's objective of selectively encouraging the types of specialist housing for older people which it wants to see prioritised in Fylde, by incentivising their provision by making clear that qualifying developments are exempt from providing affordable housing.
- 1.12 The proposed changes to paragraph 9.46 then confirm this by reworking the clause retained from earlier versions of the policy, whereby the Council sets out its own definition of what it considers to be specialist housing to meet the specific needs of older people (i.e. in the context of meeting Fylde needs) which is; "that meeting all of the criteria requirements of Part 2 and Part 3 of the policy."
- 1.13 We object to the suggested changes to Part 3 and paragraph 9.46.

- 1.14 The Council does not have the ability to decide the types of what it deems to be specialist housing to meet the diverse (or specific) needs for older people, and devise a selective policy to produce the outcome it wishes to engineer.
- 1.15 As we explained in our submission following the hearing, we consider that all types of development which qualify as 'specialist housing for older people' are designed and built to meet the 'specific (and diverse) needs of older people'. Older people's needs clearly change as they age and become less independent and in increasing need of care, but they have specific needs as soon as they reach the stage and make the design to move from mainstream housing to purpose built accommodation - i.e. an age-restricted, Part M4(2) bungalow built by Applethwaite meets the 'specific needs' of older people (i.e. over 55 as defined in the 2019 NPPF) who want to;
- i) downsize (rightsized) to a smaller house;
 - ii) live in accessible single level accommodation; and who want,
 - iii) the peace of mind that their home is future-proofed and is/can be adapted to suit their changing needs for up to 20 years or more before they may no longer be able to live independently and require greater personal care, although some Applethwaite customers also buy its bungalows in the knowledge that they can accommodate live-in carers / companions.
- 1.16 The policy must be consistent with paragraph 64(b) of the NPPF 2019 therefore. This states that development which provides 'specialist accommodation for a group of people with specific needs (such as purpose built accommodation for the elderly or students)' is exempt from the requirement to provide affordable housing.
- 1.17 Counsel for the Council confirmed at the hearing that "the (paragraph 64) exemption applies to Parts 2 and 3 of Policy H2" as adopted. On the basis that all types of specialist housing for older people are designed and built to meet the specific needs of older people of all ages, the exemption to provide affordable housing must apply to all types of specialist housing for older people. This is a national policy and it cannot be interpreted and used at the local level as a means to incentivise / prioritise the provision of certain types of specialist accommodation for older people above others. The PPG (63-001-20190626) also explains that the need to provide housing for all types and needs of older people is "critical". There is no other type of housing where the need is described by the Government in the NPPF and/or PPG as being "critical".
- 1.18 We explained the background to paragraph 64 (and updated glossary definition of older people and comprehensive June 2019 update to the PPG) at the hearing, which results from the advice given to the Government by the Housing, Communities and Local Government 2018 Select Committee Inquiry into Housing for Older People (CM 9692) of September 2018. The Inquiry heard evidence from developers and providers in the specialist housing for older people sector and the HBF, and it is plain that viability is a key barrier and reason why so little specialist housing for older people is built - including bungalows. This is also reflected in the viability section of the PPG (10-007-20190509). This explains that particular circumstances may justify the need for a viability assessment to be carried out at application stage and could include... *'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)'*.

- 1.19 Paragraph 64 is therefore intended to help facilitate such development and avoid the need and burden upon applicants to undertake viability assessment at application stage.
- 1.20 With regard to age-restricted bungalow developments of the type built by our client for example, there are several reasons why they 'significantly vary from the standard model of development for sale' (i.e. two story mainstream housing) upon which Local Plan viability assessments are based. These are;
- i) In the absence of specific site allocations for bungalows, residential development land has to be purchased on the open market in competition with mainstream house builders delivering conventional two storey dwellings. A landowner will therefore require the same asking price for their land regardless of whether a bungalow or house will be built;
 - ii) there is less sales revenue yield from a bungalow development compared to two storey housing as there is less site coverage and less floor space, and the loss is not offset by the premium attached to bungalows (which is only due to their shortage and popularity); and,
 - iii) the construction costs of bungalows are higher than two storey housing (in real terms) as the foundations, services and ground floor are common but there is no economy of scale added from a second floor, and bungalows use more expensive and complex roof trusses to bridge a wider footprint than houses.
- 1.21 For all of these reasons, a specialist bungalow development for older people will always deliver a lower residual land value than mainstream two storey housing, and a bungalow developer such as our client, is therefore always at a disadvantage when bidding in the market for land unless it can compete on equal terms with mainstream housebuilders by offering a landowner the same purchase price as a mainstream house builder.
- 1.22 To do that, something has to be foregone to ensure that bungalows for older people are built in the scale needed, and that is the delivery of affordable housing and/or tariff-style financial planning obligations - hence the exemption provided by paragraph 64 of the NPPF. This is the only realistic way in which standalone specialist bungalow developments for older people can be built other than on very small sites where there is no requirement for any affordable housing and financial contribution planning obligations. This is the only logical meaning which can be read into paragraph 64.

Graham Love
22nd June 2021