

## **McCarthy Stone – written evidence submission (Levelling Up and Regeneration Bill)**

### **Executive summary**

- 1.1. McCarthy Stone broadly welcomes the mission of the Levelling Up and Regeneration Bill, given the urgent need to reform the planning system and deliver more and better housing options for older people.
- 1.2. Many in later life are unable to move from their existing homes into something better suited to their evolving needs. This increases pressure on the NHS and the social care system. It also blocks the housing market from functioning properly as many older people remain stuck in family-sized homes unsuited to their needs that could be used by younger people and first-time buyers.
- 1.3. Around three million older people are considering downsizing, which would release around two million spare bedrooms, so there is an urgent need to deliver a new framework to support the long-term development of older people's housing. At present, just c.7,000 new retirement housing properties are delivered annually, versus demand for 30,000, and just c.2,400 new bungalows are built a year.
- 1.4. A supportive planning environment is fundamental to addressing this and it is imperative that specialist housing for older people is accounted for in the design of the Infrastructure Levy – as introduced in the Bill. In addition, the delays and uncertainty in the current planning process exacerbates the shortfall that already exists.

### **About McCarthy Stone**

- 2.1. McCarthy Stone is the UK's leading developer and manager of retirement communities, overseeing 483 developments for more than 21,000 older people who are typically aged in their 80s. We have c.1,600 staff members working in service delivery across the UK, managing 108 Extra Care developments and 375 housing with support developments.
- 2.2. We also complete around 2,000 new retirement properties in a typical year, the largest of any retirement operator. We currently have 41 sites under construction around England and Wales, supported by more than 800 people in our development business.

### **Our perspective on the Bill**

- 3.1. The Levelling Up and Regeneration Bill, in its current form, does not promote the need for specialist housing for older people. The current planning system must do more to consider the housing requirements of our ageing population. It is widely recognised that within the overall national under supply of housing there is also a specific and significant shortfall in the supply and availability of housing for older people and, particularly, of specialist retirement housing.
- 3.2. We therefore believe that the Bill should be amended so that:
  - 3.2.1. The new Infrastructure Levy should place a requirement on local authorities to specifically assess the viability of retirement housing, separate from general residential housing.
  - 3.2.2. There should be a similar requirement for local authorities to produce a policy on older people's housing in their local plans and to properly assess the need for retirement housing in their housing needs assessments.

- 3.3. As the Housing, Communities and Local Government Select Committee noted in its 2018 report on housing for older people<sup>1</sup>, 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. It also recommended that the approach to assessing housing needs to explicitly addresses the complex and differing housing needs of older people.
- 3.4. Therefore, it is imperative that far greater numbers of specialist housing for older people are accounted for in any planning policy. This Bill and the National Planning Policy Framework, which we understand is due to be published in revised form shortly, both work towards remedying critical issues in the planning system but as things stand these challenges will remain for our sector.
- 3.5. The Bill should include clear requirements for local authorities to calculate and meet the need for older people's housing in their local areas, with the requirement that planning authorities should undertake comprehensive housing needs assessments for older people across all types and tenures, plan for this form of housing in their local plans, and then monitor delivery against set targets. Knight Frank note 50% of local plans currently have no policy for older people's housing, so the current system is failing.
- 3.6. Meanwhile, the delays and uncertainty in the current planning process exacerbates the shortfall that already exists. In April, for example, we achieved a planning consent in Cheshire for a new 30-apartment retirement community on a brownfield site. We should have had a decision from the council within the statutory 13-week period. Instead, it took us more than two years (105 weeks), officer recommendations for approval, refusals from councillors, and expensive resubmissions and two appeals.
- 3.7. Better housing for our ageing population has the potential to turbo-charge the UK's housing market and protect older people against future pandemics. Boosting the amount of retirement housing will also support the Government's ambitions to rebuild Britain, whilst also upscaling the provision of care services to those who need it most.
- 3.8. To meet demand from our growing ageing population, any future housing solutions must consider the needs of older people. The total number of homes in England owned by those aged 65 and over is projected to increase from 3.9 million today to at least five million by 2030.
- 3.9. More older people need to be able to have the choice and access to appropriate housing and support, including retirement communities. The Government needs to look at new ways to help the sector address the huge imbalance between supply and demand with urgency, and some small changes to this proposed legislation could help to do so.
- 3.10. The social and economic gains of retirement communities, and its different viability model, should also be reflected in planning, including in the Infrastructure Levy proposed in the Bill. Developers of housing with care, and housing with support, for older people do not currently have a level playing field at the point of land acquisition because of the planning system, with the same taxes often levied for retirement housing as for mainstream housing. This limits new supply, prevents existing SMEs in this sector growing and restricts new entrants from joining the industry. It is essential that the unique viability model of this form of housing is accounted for in the new Infrastructure Levy.

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<sup>1</sup> Housing, Communities and Local Government Select Committee inquiry into Housing for Older People (September 2018) – <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/370/37002.htm>

- 3.11. In light of the urgent need to significantly increase the delivery of specialist older persons' housing across the United Kingdom, we consider that it is imperative that the viability of these forms of development is specifically considered against planning obligations and policy requirements.
- 3.12. We also believe that future guidance should include clear requirements for local authorities to calculate and meet the need for older people's housing in their local area, with the requirement that planning authorities set a robust target of at least 10% of all units as specialist accommodation for older persons and a specific target based on local assessment of need. Assessment of overall housing need and the different types of housing needed, particularly larger and family housing should take into account that retirement housing addresses under occupation and frees up the existing housing market, thereby widening housing choice and availability.

### **The socio-economic value of retirement communities**

- 4.1. Retirement communities are central to the effort to get the economy restarted, while also helping ensure vulnerable older people are better protected against future pandemics.
- 4.2. The health and social care saving to the state from these improvements is c.£3,500 per person per year as shown by WPI Economics research, stemming from fewer falls, reduced loneliness, delaying the on-set of dementia, quicker detection of strokes and lower use of social care and health services<sup>2</sup>.
- 4.3. Investing in the retirement living sector helps young people at the sharp end of the housing crisis by releasing under-occupied homes at the top of the ladder. For each house move, a further two to three further moves are created on the housing chain, typically ending with a first-time buyer purchasing their first home<sup>3</sup>.
- 4.4. Nearly all of our developments are on central brownfield sites, so retirement communities can also help rejuvenate our town centres. For just one retirement development of roughly 45 units, a local authority could expect to see benefits of 85 construction jobs for the duration of the build, as well as six permanent jobs and £13m in GVA over the lifetime of the development, as opposed to not developing a site<sup>4</sup>.
- 4.5. The Covid-19 pandemic proved the intrinsic value of retirement communities. Our customers were not isolated in a large family-sized home, nor did they face the challenges experienced by care homes. Our communities kept customers independent and supported, with high levels of companionship and access to services, care and food prepared freshly on-site.

### **Conclusion**

- 5.1. With greater demands for downsizing opportunities and our growing population, a stronger focus on retirement housing should be included within the Bill's provisions.

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<sup>2</sup> Homes for Later Living and WPI Economics (September 2019) – <https://homesforlaterliving.org/wp-content/uploads/2019/09/Healthier-and-Happier-Final-Report-.pdf>

<sup>3</sup> Homes for Later Living and WPI Economics (August 2020) – <https://homesforlaterliving.org/wp-content/uploads/2020/08/Report-2-Final.pdf>

<sup>4</sup> Homes for Later Living and WPI Economics (February 2021) – <https://homesforlaterliving.org/wp-content/uploads/2021/02/Homes-For-Later-Living-Silver-saviours-for-the-high-street-.pdf>

- 5.2. We firmly believe that an emphasis on downsizing and building more retirement homes would have significant implications across the housing chain. Building for older generations will not only help those who need specialist assistance to gain the support that they need whilst maintaining their dignity and independence in old age but would also complement the Government's current housing priority of increasing the availability of housing for first-time buyers.
- 5.3. Investment in retirement living would also help to support the needs of our ageing population, delivering support services whilst maintaining their dignity and independence in later life, as well as reducing overall costs to social care services.
- 5.4. We were pleased with the announcement of the older people's housing taskforce in the Levelling Up White Paper and it is something that we have long called for to address the existing barriers that limit the development of specialist homes for older people. The taskforce should look holistically at the planning system, and specifically a bold and ambitious planning framework for increasing the supply of specialist homes for older people to 30,000 a year, or 10% of overall housing supply.
- 5.5. Changes should include:
  - 5.5.1. A 10% target for all new housing supply to be specifically for older people.
  - 5.5.2. A requirement for local authorities to plan for retirement communities in Local Plans.
  - 5.5.3. A requirement to assess the need for retirement housing in local housing needs assessments.
  - 5.5.4. An exemption for retirement communities from affordable housing and CIL requirements to resolve existing viability restraints.