

Planning Policy  
South Derbyshire

16<sup>th</sup> June 2026

By Email: [local.plan@southderbyshire.gov.uk](mailto:local.plan@southderbyshire.gov.uk)

Dear Sir/Madam,

**CHURCHILL LIVING & MCCARTHY & STONE RETIREMENT LIFESTYLES  
RESPONSE TO THE DRAFT SOUTH DERBYSHIRE DISTRICT COUNCIL LOCAL  
PLAN PART 1 REVIEW 2022-2041 (REGULATION 19) FURTHER CONSULTATION  
2026**

Churchill Living and McCarthy & Stone are independent and competing housebuilders specialising in the provision of sheltered housing for older people. Together, they are responsible for delivering approximately 90% of England's specialist owner-occupied retirement housing. We respond to the policies of the consultation insofar as they impact the delivery of specialist accommodation for older persons.

Representations were made in respect of the Regulation 18 consultation on 9<sup>th</sup> November 2022 and the Regulation 19 consultation on 6<sup>th</sup> December 2024 and again on in April 2025.

Similar to the comments made previously, our representations focus on the importance of introducing a positive policy in respect of the delivery of housing for older people. We also recommended that, given the age of the viability study being relied upon (some eleven years old) to support the plan, that a new plan wide viability study be undertaken as required by the NPPG and the requirements of the plan tested to ensure viability and deliverability. Stakeholders must be afforded the opportunity to engage in the formation of the plan wide viability evidence base as a matter of urgency given the stage the plan has progressed to without this critical evidence base being in place. Without this the plan should not be found to be sound as it would not be justified or consistent with national policy.

All policy 'asks' including affordable housing and other requirements such as M4(3) accessibility standards place significant financial burden on development and the duty on plan makers is to ensure such requirements do not make development unviable.

Older Persons Accommodation

The NPPF and Planning Practice Guidance require that local planning authorities plan for the specific requirements of typologies including older people (referenced at paragraph 2.2 of the draft Local Plan). The Council's housing needs evidence is set

out in the Derby and South Derby Local Housing Needs Assessment 2023<sup>1</sup>. The study at paragraph 8.74 confirms that the older person population is projected to increase notably moving forward: Key findings for the 2022-2039 period include:

- A 41% increase in the population aged 65+ (potentially accounting for approaching half of total population growth);
- A 51% increase in the number of people aged 65+ with dementia and a 47% increase in those aged 65+ with mobility problems;
- A need for up to 2,300 housing units with support (sheltered / retirement housing) – mostly within the market sector;
- A need for around 1,700 additional housing units with care (e.g. extra care) – the majority (around 60%) in the market sector;

This would suggest that there is a clear need to increase the provision of older persons housing.

Paragraph 1 of the PPG Housing for Older and Disabled people states:

*“The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing, offering older people, a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social and health systems. Therefore, 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: 001 Reference ID: 63-001-20190626

We note that Policy H20 ‘Housing Balance and Custom / Self Build’ is a generic policy for all housing typologies and has removed reference to the need for older persons housing. However, given that older person’s housing forms an integral part of the district’s overall housing need, we recommend that a dedicated policy is introduced to the draft plan supporting the delivery of housing for older people, recognising the benefits of such housing to local people and the diversification of housing stock.

Suggested policy wording for such a policy would be:

*“The Council will encourage the provision of specialist housing for older people across all tenures in sustainable locations and under appropriate management arrangements. The Council aims to ensure that older people are able to secure and sustain independence in a home appropriate to their circumstances by providing appropriate housing choice, particularly retirement housing / housing with support and Extra Care Housing / Housing with Care.”*

Criteria D still requires that market homes are provided to M4(3) as standard stating that Provision of M4(3)(a) (wheelchair adaptable dwellings) will be considered where justified and agreed with the Council prior to the granting of planning permission.

We would remind the council that requiring M4(2) and M4(3) requirements must be proven to be viable in most cases for each typology and therefore, up to date plan wide viability analysis must be prepared to ensure the requirement does not make development unviable.

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<sup>1</sup> [Derby-and-South-Derbyshire-Local-Housing-Needs-Assessment-December-2023.pdf](#)

Any application of such a requirement must be subject to viability and proven housing need.

### Affordable Housing

Policy H21 'Affordable Housing' seeks to secure up to 30% affordable housing from all new housing development which may be reduced subject to a viability assessment. This requirement has been set with reference to housing need but not with reference to evidence of financial viability. It appears that the policy applies to older persons housing, but no consideration is given to how the policy may be applied in practice, in particular, the practicalities of on-site delivery (if viable or indeed feasible).

Given the emphasis placed on viability testing at the plan making level within national policy (para 59 of NPPF and Paragraph: 002 Reference ID: 10-002-20190509 of PPG), it is imperative that the council test the typology appropriately and set a reasonable typology specific expectation. We note that the 30% is still to be subject to detailed viability testing, but from the viability testing that was undertaken in 2015, it was concluded:

*“Neither sheltered housing nor extra care housing is shown as viable on greenfield or brownfield sites and also when subject to the affordable housing requirement<sup>2</sup>.”*

The most recent available viability evidence therefore concludes that the requirement to provide affordable housing on this typology is unlikely to be viable.

It is disappointing at this stage, given the age of the viability testing, and the changes in the market that have occurred over the last 10 years or so, including very high build cost inflation, that a holding 8 page interim viability statement is all that is available in respect of a plan wide viability update. This is not sufficient evidence to justify the plan.

We would remind the Council of the increased emphasis on Local Plan viability testing in Paragraph 58 of the NPPF. The council should then note that the PPG on Viability confirms at para 002 Reference ID: 10-002-20251216 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.....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’.*

Paragraph 004 Reference ID: 10-004-2019509 of PPG confirms what is meant by a typology approach to viability and advises that

*‘Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology’.*

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<sup>2</sup> South Derbyshire District Council Plan-wide Viability Review – June 2015, Paragraph 10.36

We would like to highlight to the council that the viability of specialist housing for older people is more finely balanced than 'general needs' housing and we are strongly of the view that these housing typologies should be robustly assessed for viability and affordable housing separately to mainstream housing and any requirement set in the Local Plan Review should be based on viability as well as need and not be based purely on housing need. This 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 this is not done, the delivery of much needed specialised 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.

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/rhg/wp-content/uploads/2017/01/CIL-viability-appraisal-issues-RHG-February-2016.pdf>. 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. 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.

We have engaged in considerable local plan representations over the last number of years and can point to a number of recently adopted or emerging local plans where suitable bespoke affordable housing policies have been brought forward. We would draw the Council's attention to Paragraph 5.33 of Policy HP5: 'Provision of Affordable Housing' in the now adopted Fareham Borough Local Plan which advises that:

*"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."*

Furthermore, a number of other local plan policies now exempt older persons housing from affordable housing including Swale, Charnwood, Hynburn, Teignbridge, North Norfolk and Dudley, with a number of LPA's at the latter stages of plan production with such an exemption including Birmingham, Leicestershire, Great Yarmouth, Rugby and Gosport.

It is clear that in this case, a similar exemption should be examined to enable the typology to come forward.

The benefits of specialist older persons' housing extend beyond the delivery of planning obligations as these forms of development contribute to the regeneration of town centres and assist Council's by making significant savings on health and social care as well as the added benefit of enabling housing 'rightsizing'.

It is also worth considering that paragraph 008 of the PPG Viability section requires that when a viability assessment is submitted at the development management stage, reference is taken from the plan wide viability assessment underpinning the policy requirement and the applicant is required to set out what changes have taken place since the plan wide viability assessment was undertaken. In this case, the application viability assessment cannot take reference from an up-to-date plan wide viability

assessment as there is not one and therefore by not adopting a different policy approach in respect of housing for older people, the policy is adding uncertainty and an unnecessary layer of cost to such proposals.

Given that the only viability evidence base available to date shows affordable housing delivery on older persons housing to be unviable, we recommend the following amendments to the draft affordable housing policy:

*“In line with the findings of the plan wide viability study, the affordable housing policy will not apply to specialist housing proposals for older people.”*

### Conclusion

We would be grateful if you can advise us of further opportunities to engage on the emerging plan and in particular, the plan wide viability study as referenced above. In line with PPG requirements, the plan and evidence base should be informed by positive engagement with stakeholders.

It appears that the process of preparing viability evidence base has only just begun. It is imperative that stakeholders are afforded the opportunity to review this critical part of the plan formation.

We would welcome further engagement on the matters raise so that we may assist the council in formulating workable and appropriate policies. We remind the council that the need for older persons housing is described as ‘critical’ within national policy and therefore policies to encourage rather than restrict development must be advanced.

Thank you for the opportunity for comment.

Yours faithfully,



Damien Lynch  
Associate Director  
Planning Issues Ltd