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Telford and Wrekin Local Plan Review

Examination in Public

Hearing Statement

The Planning Bureau on behalf of

McCarthy & Stone Retirement Lifestyles Ltd and Churchill Living

January 2026

Matter 6 - Development Management Policies

Issue 1: Whether the other housing policies are justified, effective, and consistent with national policy

Polices HO4 and HO5 – Affordable Housing

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1.0 61. Are the provisions of Policy HO4 in terms of affordable housing requirements justified by the evidence and deliverable?

- 1.1 Policy HO4 is not positively prepared, justified or consistent with national policy and will not be effective with respect to delivering much needed specialized housing for older people (see Section 11 of Older Persons's Housing Need Assessment (EH01d)). The Council have not considered and translated their own Viability evidence correctly in respect to specialist housing for older people which is shown to be substantially not viable and therefore (a) the policy is not justified by the Council's own evidence, (b) will not support delivery (c) nor be in line with national policy.
- 1.2 To support the affordable housing requirement expressed in policy HO4 of the regulation 19 version of the Telford and Wrekin Local Plan Review, the Council has undertaken a Viability Assessment entitled 'Whole Plan Viability Assessment, Telford and Wrekin Council, HDH, June 2023 ('Viability Assessment') (VS01). As part of the Viability Assessment, we note that both sheltered and extra care housing has been tested on both brownfield and greenfield Eighteen scenarios have been tested for each typology that tests the possibility of delivering affordable housing at requirements between 0% and 40%.
- 1.3 For each scenario test apart from sheltered greenfield at 0% a **negative residual land value** has occurred and is confirmed in table 10.6 and 10.7 page 157/158 of the Viability Assessment. Extracted below for convenience.

Table 10.6 Older People's Housing, Appraisal Results (£/ha) – Sheltered Housing					
		Affordable %	EUV	BLV	Residual Value
Site 1	Brown	0%	1,000,000	1,200,000	-655,966
Site 2	Brown	5%	1,000,000	1,200,000	-1,175,554
Site 3	Brown	10%	1,000,000	1,200,000	-1,776,098
Site 4	Brown	15%	1,000,000	1,200,000	-2,301,575
Site 5	Brown	20%	1,000,000	1,200,000	-2,906,726
Site 6	Brown	25%	1,000,000	1,200,000	-3,441,961
Site 7	Brown	30%	1,000,000	1,200,000	-4,053,659
Site 8	Brown	35%	1,000,000	1,200,000	-4,588,894
Site 9	Brown	40%	1,000,000	1,200,000	-5,207,476
Site 12	Green	0%	50,000	400,000	521,442
Site 13	Green	5%	50,000	400,000	-13,633
Site 14	Green	10%	50,000	400,000	-553,704
Site 15	Green	15%	50,000	400,000	-1,106,113
Site 16	Green	20%	50,000	400,000	-1,666,571
Site 17	Green	25%	50,000	400,000	-2,227,029
Site 18	Green	30%	50,000	400,000	-2,792,841
Site 19	Green	35%	50,000	400,000	-3,363,713
Site 20	Green	40%	50,000	400,000	-3,934,586

Source: HDH (May 2023)

Table 10.7 Older People's Housing, Appraisal Results (£/ha) – Extracare Housing					
		Affordable %	EUV	BLV	Residual Value
Site 1	Brown	0%	1,000,000	1,200,000	-3,882,235
Site 2	Brown	5%	1,000,000	1,200,000	-4,478,636
Site 3	Brown	10%	1,000,000	1,200,000	-5,075,038
Site 4	Brown	15%	1,000,000	1,200,000	-5,714,039
Site 5	Brown	20%	1,000,000	1,200,000	-6,313,319
Site 6	Brown	25%	1,000,000	1,200,000	-6,920,903
Site 7	Brown	30%	1,000,000	1,200,000	-7,528,487
Site 8	Brown	35%	1,000,000	1,200,000	-8,136,070
Site 9	Brown	40%	1,000,000	1,200,000	-8,787,053
Site 12	Green	0%	50,000	400,000	-2,281,920
Site 13	Green	5%	50,000	400,000	-2,867,345
Site 14	Green	10%	50,000	400,000	-3,457,635
Site 15	Green	15%	50,000	400,000	-4,096,636
Site 16	Green	20%	50,000	400,000	-4,693,038
Site 17	Green	25%	50,000	400,000	-5,289,439
Site 18	Green	30%	50,000	400,000	-5,887,991
Site 19	Green	35%	50,000	400,000	-6,495,575
Site 20	Green	40%	50,000	400,000	-7,108,715

Source: HDH (May 2023)

1.4 The Viability Assessment at para 10.67 then concludes that:

10.67 Based on this analysis, market lead schemes of Sheltered housing and / or Extracare housing is unable to bear affordable housing. T

1.5 This conclusion is also consistent with that of all brownfield sites and general flatted development as confirmed within para 12.52 of the Viability Assessment ‘Across the greenfield sites, the Residual Value exceeds the BLV in most cases, suggesting that such development is likely to be viable on the basis tested, however, in the case of the brownfield sites, the Residual Value is less than the EUV in all cases’ and 12.71 ‘This analysis shows the challenges of bringing forward brownfield sites. Such sites are likely to be unable to deliver affordable housing or make meaningful contributions towards developer contributions, even under the lower policy requirements.’

1.6 The PPG on Viability confirms at para ‘Paragraph: 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. It is the responsibility of land owners, site promoters and developers to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant.’

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

'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.....'

In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development.....

*Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. **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.***

*Plan makers will then engage with landowners, site promoters and developers and compare data from existing **case study sites to help ensure assumptions of costs and values are realistic and broadly accurate.....** Plan makers may then revise their proposed policy requirements to ensure that they are **creating realistic, deliverable policies.**'*

- 1.8 We note that the Viability Assessment also continues to state at para 10.68 and 12.88 that:

'When considering the above, it is important to note that paragraph 10-007-20180724 of the updated PPG specifically anticipates that the viability of specialist older people's housing will be considered at the development management stage'.

- 1.9 This statement is at odds with the beginning of para 12.88 and 10.67 that states '*Based on this analysis..... Sheltered housing and Extracare housing is to be unable to bear affordable housing.*'
- 1.10 It should be noted that PPG paragraph 10-007-20180724 and its successor, Reference ID: 10-008-20190509, confirms the circumstances where Viability Assessment at the decision making stage not the plan making stage and confirms:

'for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; 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); or where a recession or similar significant economic changes have occurred since the plan was brought into force.'

- 1.11 The consultants, who undertook the Viability Assessment have therefore advised the Council that sheltered and extra care housing in unable to bear affordable housing. However, the Council have taken the interpretation of Paragraph 10-008-20190509 to mean that older persons housing, despite its proven lack of viability at the plan making stage, can simply be assessed at the application stage. This appears to have been accepted without question by the Council as Plan Making body. This paragraph has been used to disregard the typology testing that has been undertaken for Plan Making and

assumes that older persons' housing can be tested at the decision making stage. This is additionally a concern given the proposed changes to the NPPF being consulted (December 2025) on currently (*NPPF: Proposed reforms and other changes to the planning system*) with respect to viability and plan making. Draft National DM5 point 4 clearly proposes that '*where a viability assessment is submitted with a development proposal, this should be based upon and refer back to the viability assessment(s) that informed the relevant development plan policies. It should fully evidence all inputs and assumptions used in the assessment, and explain any differences from those used for viability assessment that informed the relevant plan policies.'*

- 1.12 The council's approach here led by their consultant HDH is to undertake the testing and ignore the findings and in doing so, have also ignored our representation (547 E148 A B C) that detailed a number of viability assumptions (discussed below) that had been incorporated incorrectly into the Viability Assessment. Any older persons housing planning application will simply have to reference the plan wide viability study and conclude, as the study does, that it is unviable and that the assumptions used are incorrect.
- 1.13 Notwithstanding the above and that the Viability Assessment already finds specialist housing for older people to not be viable, we also have further concern that some of the assumptions used within the Viability Assessment are not consistent with the older persons typology. We provided details within our response to the regulation 19 draft plan and identified that there are certain aspects of the plan wide Viability Assessment which are overly optimistic. We advised that if these aspects were updated to accord with best practice then the viability outcomes would be even more unviable. This included unit numbers / GIA / Density, unit size, unit mix, non-chargeable communal space, sales and marketing costs, sales periods, empty property costs, and developer return. These are predominantly detailed in a Retirement Housing Group briefing note already discussed in para 4.75 of the Council's Viability Assessment although not used correctly. If the assumptions were amended in line with the RHG briefing note, they would likely result in older persons housing being even less viable than already shown and emphasises further the need for exemption of the older persons housing typology from providing affordable housing. which if included correctly would make specialist housing for older people even less viable than already shown.
- 1.14 The Council have therefore correctly tested the sheltered / retirement housing typology at this plan making stage in line with para 004 Reference ID: 10-004-20190509 of PPG on Viability, but despite retirement /sheltered housing with affordable housing being found to be substantially not viable (Table 10.7 of the Viability Assessment), the Council have taken the view, that such schemes can be subject to a viability assessment at the decision-making stage. If the Council is going to take this approach, it begs the question why it viability tested retirement housing in the first place? The answer is that it is the right thing to do following PPG guidance and it is perverse to now disregard this and not incorporate the outcome.
- 1.15 We welcome that the Council have assessed the sheltered / extra care housing typology through the Viability Assessment, however it shows that sheltered / extra-care housing cannot deliver affordable housing as well as other policy requirements that hold additional costs and remain viable. The Council have then ignored the outcomes of the testing in the Viability Assessment with the assumption that schemes proposing housing to meet the needs of older people can simply be viability tested at the application stage.

This view as well as ignoring their own Plan Making evidence, contrary to NPPF para 32, will lead to further viability assessment at the decision-making stage and long, protracted, and probably adversarial, negotiations with Council officers and commissioned consultants and resulting difficulties with decision makers expecting policy compliancy and therefore impacting on delivery.

- 1.16 As the older people's housing typology has been tested through the Viability Assessment supporting the Telford and Wrekin Plan and the typology found to be substantially unviable, requiring such sites to in effect, go through a Viability Assessment and a corresponding review mechanism at the application stage is contrary to national policy. Any affordable housing requirement for older people's housing therefore creates an unrealistic, over aspirational policy requirement that will undermine deliverability. The plan as written, will not deliver much needed older peoples housing in line with need without further viability assessment and is therefore not justified or effective.
- 1.17 The Councils approach is contrary to national policy guidance (NPPF para 32) and given the PPG on viability (Paragraph: 002 Reference ID: 10-002-20251216) the Council have not taken appropriate account of the Viability Assessment(table 10.7) and policy HO4 should be modified to provide exemption for older persons housing schemes from providing affordable housing. This is to ensure the plan is realistic, sound, deliverable, justified and consistent with national policy. Planning applications for much needed Older Person's housing can then proceed without the need for further Viability Assessment at the decision-making stage with protracted negotiations. This approach would also be consistent with other Council's Local Plans. For example, both Swale and Fareham Borough Council's, based on detailed viability evidence have adopted Local Plan's that exempts older people's housing schemes from affordable housing. Fareham's also exempts older persons housing from their Community Infrastructure Levy charge. In addition, Charnwood and Teignbridge who are towards the latter stages of their Local Plan examination, have also recently consulted on some main modifications that exempts specialist housing for older people from affordable housing. Other plans are also recommending exemption including Hyndburn, Birmingham, Dudley and BCP with Maidstone setting a lower rate.

1.18 Recommendation and Modification Required

- 1.19 A Main Modification is therefore needed to the end of policy HO4 to read as follows. **This is to ensure the plan is justified, effective and consistent with national policy.**
- 1.20 Add new point to end of policy HO4 to read:

Schemes delivering housing for older people are exempt from delivering affordable housing.

- 1.21 Add new para after 9.32 to read

Schemes delivering housing for older people are exempt from delivering affordable housing. This is based on the analysis within the Whole Plan Viability Assessment – June 2023 that confirms that older person's housing is unable to bear affordable housing.

1.22 The above amendments will make the plan sound by being fully justified, effective and consistent with national policy. The amendments will make sure the plan is consistent with the plans own evidence and specifically consistent with *Paragraph: 008 Reference ID: 10-008-20190509 of PPG*.

2.0 62. Is it clear how Policy HO4 and Policy HO5 are expected to work together? In particular, are the policies clear and unambiguous in respect of reduced or zero provision in terms of how criterion 4 of Policy HO4 and criterion 3 of Policy HO5 apply and relate to each other?

2.1 No, it is not clear how policy HO4 and HO5 work in relation to the introduction of a review mechanism that is detailed in policy S7 and the detail that the council are introducing via change MOD 034 and MOD036 published in core document CD07 appendix H Minor Modifications but not consulted upon. This introduces detail within a review mechanism '*Review mechanisms will take the form of a full reappraisal for schemes over 50 units and a lighter touch approach for schemes below 50 units, with a review of GDV against original costs plus Construction Prices Index, normal profit and land value. Reviews will be undertaken on a transparent open book approach.*' We have concerns over this introduction, please see our more detailed response in our written statement provided to Matter 4.