

GUILD LIVING

PROOF OF EVIDENCE



Planning Appeal Ref: APP/P3610/W/21/3272074 (APPEAL A) and
APP/P3610/W/21/3276483 (APPEAL B)

Senior Living Urban (Epsom) Limited

Epsom Hospital Site, Dorking Road, Epsom, KT18 7EG

Matthew Serginson BEng MRICS – Development Director, Guild Living

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1. Introduction

Qualifications and Experience

- 1.1. My name is Matthew Serginson BENG (Hons) MRICS, Development Director for Guild Living who, in partnership with Legal and General, are a developer and operator of Extra Care communities.
- 1.2. As a Chartered Surveyor I have worked in property development for 13 years, with experience across a wide range of sectors including later living.
- 1.3. I confirm that I have made clear which facts and matters referred to in this Proof of Evidence are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of trust without an honest belief in the truth.

Scope of Evidence

- 1.4. My evidence has been prepared to provide the Inspector with a clear understanding of the Proposed Development and the Guild Living Model, including, where relevant, the differences between Scheme A and Scheme B and where the evidence is the same for Scheme A and Scheme B (noting that the practical and design differences are dealt with in detail by Mr Earwicker, Mr Spencer, and Mr Williams). My evidence will focus on the matters set out below:
 - 1.4.1. Section 2 of this proof will address who Guild Living and Legal and General are, the Guild Living Model, the Guild Living and Legal and General company structure and sites belonging to Legal and General and other Guild Living sites.
 - 1.4.2. Section 3 of this proof clarifies what Extra Care is alongside other types of specialist housing for older people and how the Proposed Development is Extra Care within the C2 Use Class.

- 1.4.3. Section 4 provides Guild Living's perspective on the model, including; site selection, unit types, prospective residents, care and support, and the on-site communal facilities.
- 1.4.4. Section 5 of this proof assesses the benefits of Extra Care development including economic benefits, NHS and social care savings and making available or freeing up family housing. Section 5 also discusses the wider benefits associated with the Proposed Development.
- 1.4.5. Section 6 provides a conclusion to the details set out within my proof.

2. The Appellant

Legal and General

- 2.1. Senior Living Urban (Epsom) Limited, the “Appellant” for the Appeals, is a wholly owned subsidiary of Legal and General Later Living Limited (“LGLL”).
- 2.2. LGLL is a wholly owned subsidiary of Legal and General Capital Investments Limited (“LGC”), the direct investment division of Legal and General (“L&G”).
- 2.3. L&G are one of the world’s largest insurers and a global top 20 asset manager that manages more than £1.2 trillion of assets, serves 9.5 million customers in the UK and pays more than 1 million pensioners monthly.
- 2.4. L&G has been engaged in the real estate sector for over twenty years with ambitions to continue to develop this sector through a multi-tenure housing strategy.
- 2.5. The LGC investment portfolio supports the delivery of this strategy and includes several market-leading businesses, which provide extensive market knowledge and track record of delivery experience, including:
 - CALA Homes – an established housebuilder with over forty years’ experience in home building in the UK.
 - L&G Affordable Homes – an institutional registered provider with a gross asset value of circa £750 million.
 - Build-to-Rent – a prominent investor and operator in the urban build to rent market with nearly 2,000 completed homes and over £2 billion committed since 2016.
 - Suburban Build-to-Rent – a recently created housing arm which will focus on the suburban family housing market.
 - L&G Modular Homes – an innovative business focussed on delivering homes using modern methods of construction which includes an operational 550,000 square foot factory which can deliver up to 3,500 homes per year.
 - L&G Later Living – a business created for the delivery of purpose-built housing for the later living sector in the UK with capital commitments of £500 million.

2.6. LGLL has established two businesses:

- Inspired Villages (“IV”), developer and operator on behalf of LGLL which offers suburban accommodation on the fringes of towns and villages. IV was established in 2017 and currently operates six later living communities across the UK with 923 residents in 664 occupied Extra Care units. There are four villages under construction and a further two will commence construction in 2021, with 21 sites secured in the portfolio¹.
- Guild Living, developer and operator on behalf of L&G established in 2018 which is currently developing four sites to provide urban later living schemes. The schemes are designed to integrate into the wider community. By way of example, the ancillary facilities, which form an integral part of the later living schemes, are open to the public and designed within the Proposed Development to be visible and directly accessible to the public. This invites the local community into the scheme and provides the opportunity for inter-generational urban living and interaction benefitting the residents of the Proposed Development and the local community.

2.7. In 2019, L&G in conjunction with Edinburgh University set up the £20 million Advanced Care Research Centre, designed to improve the understanding of care in later life and revolutionise how it is delivered.

2.8. L&G works with other research centres, for example, the International Longevity Centre UK to support research and development into the later living sector.

Guild Living

2.9. The Appellant is represented by Guild Living, with the parties working in partnership to deliver the Proposed Development.

2.10. Guild Living is 51% owned by the Guild Management Team and 49% by LGLL.

2.11. Guild Living was co-founded and is led by Michael Eggington and Eugene Marchese, both have significant experience in the later living sector.

2.12. Michael Eggington was previously Managing Director for Lendlease’s Retirement Living business. Lendlease Retirement Living constructs,

¹ IV Figures correct as at July 2021.

develops, owns, and manages retirement villages and is the largest developer, owner, and operator of retirement villages in Australia and New Zealand.

- 2.13. Eugene Marchese founded Marchese Partners, now rebranded as Life 3A in the UK and Europe, one of Australasia's most successful design practices in the Retirement Living and Aged Care sector. Marchese Partners is a global consultancy with offices in Australia, New Zealand, Asia, Spain, and the UK. In Australia Marchese Partners have designed multiple award-winning Later Living projects. Eugene Marchese is no longer involved in the operation and running of Marchese Partners / Life3A.
- 2.14. Guild Living provide development, marketing, and sales services to the Appellant for their investment in urban later living and take responsibility for all aspects from acquisition through to final unit sale, with the Proposed Development managed by the Guild Living operational company on completion.
- 2.15. Four urban sites have been acquired on behalf of LGLL, including Epsom, with further care community developments being progressed in Walton-on-Thames, Bath and Uxbridge. Planning was approved at committee at Uxbridge (subject to the completion of a section 106 agreement) and has been secured at Walton-on-Thames.
- 2.16. The portfolio will contain more than 1,000 units.
- 2.17. Delivery of the portfolio including procurement and construction, is led through an Alliance Contractor Framework; this approach was formulated to avoid many of the pitfalls of most traditional forms of procurement in the UK to efficiently provide the Proposed Development. The approach aims to generate long-lasting relationships focused on delivering high quality defect-free projects, through quicker and less costly contractor appointments and up-front agreement of terms. In addition, this approach provides the Appellant with certainty of delivery.
- 2.18. The Alliance Contractor Framework has been entered into with three contractors – Morgan Sindall, Sir Robert McAlpine, and Wates. In the case of the Proposed Development the Alliance Contractor is Morgan Sindall.
- 2.19. Guild Living has also established relationships with the University of Bath, in the form of a major research partnership led by Professor Malcolm Johnson, Visiting Professor of Gerontology and End of Life Care. The

partnership will focus on research topics such as impacts of social isolation and health ageing, with the conclusion of these projects to be introduced into the design of the Guild Living developments.

- 2.20. Most recently in 2020, Guild Living founded the STOPageism movement focused on altering societal perceptions around ageing which has to date brought together over 50 renowned organisations including Alzheimer's Research UK, Age Concern, Housing LIN, Care England and Action for Elders, further emphasising Guild Living's commitment to the later living sector.
- 2.21. Extra Care housing, as proposed by Guild Living, is well established and there is a mature market in Australia, New Zealand, and the USA. In the UK this area of the market is established with operators such as Audley, Riverstone, LifeCare, Elysian and IV, all of whom are members of the Associated Retirement Community Operators (ARCO) which is the main body representing the Extra Care housing sector.
- 2.22. The above section applies equally to Scheme A and Scheme B.

3. Extra Care, C2 Use Class

3.1. The Government's Housing for Older and Disabled People Guidance (2019) set out types of specialist housing to meet the diverse and changing needs of the older population (Paragraph: 010 ID: 63-010-20190626, revision date 26 June 2019):

- a) *"Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.*
- b) *Retirement living or sheltered housing: This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.*
- c) *Extra care housing or housing-with-care: This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission ("CQC"). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages – the intention is for residents to benefit from varying levels of care as time progresses.*
- d) *Residential care homes and nursing homes: These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes."*

3.2. The Proposed Development comprises housing-with-care or 'Extra Care' (as noted above at paragraph 3.1 (c)), being classified based on age restriction, level of communal amenities, and the availability of 24-hour support and care services provided into residents' own homes by a CQC registered domiciliary care provider based on site. Private extra care units are intended

to be made available to residents on either a leasehold sale or assured shorthold tenancy agreement at market rent.

- 3.3. The national requirement for the development of new extra care accommodation is growing and there is a significant shortage of supply to meet the needs of the ageing population in the UK (CD 1.3.5 / CD 2.2.22 / Housing with Care Need Update July 21 – Appendix 11 to the Proof of Mr Spencer).
- 3.4. So far as need is concerned this has been described nationally, as critical; Mr Spencer addresses the need for the Proposed Development at a local level in Epsom and Ewell within his Proof of Evidence.
- 3.5. A proposed development should be considered in the context of this critical need and how sustainable and appropriate a particular site or design might be. Matters of sustainability, design and planning assessment are addressed respectively in the proofs of Mr Williams, Mr Earwicker, and Mr Spencer.
- 3.6. I deal with how we try to ensure the right balance is struck between costs of the facilities and meeting the needs of the local older population in the 'Prospective Purchasers' section of this proof.
- 3.7. In accordance with the NPPG (Paragraph: 014 Reference ID: 63-014-20190626), key considerations in determining the use class for specialist older people's housing are (i) the level of care provided and (ii) the scale of communal facilities provided. These are key factors in why an older person may choose to move into a later living community.
- 3.8. A later living community is not residential accommodation alone and provides both 24-hour care and extensive communal facilities which enable residents to maintain independence living in their own homes, with the security of care, support, and the use of the communal facilities.
- 3.9. Developments such as the Proposed Development are therefore C2 Extra Care rather than C3, as set out within the proof of Mr Spencer. Guild Living's proposals have a high level of care available on-site for residents alongside extensive communal facilities at ground floor.
- 3.10. As set out within the Statement of Common Ground (Para 7.7), it is accepted that the Proposed Development falls within Use Class C2. It is also accepted that the proposed use is compatible with existing uses in the vicinity and would support the creation of a mixed, inclusive and sustainable community (Para 7.9).

- 3.11. I will address the benefits of the C2 Use Class on the Appeal Site in Section 5.
- 3.12. The above section applies equally to Scheme A and Scheme B.

4. The Guild Living Model

Overview

- 4.1. The following section sets out an overview of the Guild Living model, including:
- Site Requirements
 - Site Acquisition
 - The Proposed Development
 - Prospective Purchasers

Site Requirements

- 4.2. Guild Living has very clear target site characteristics ensuring that sites acquired are in urban, town and city centre locations with strong demand, located in areas where the high street is readily accessible via foot, buggy, or public transport, and close to amenities.
- 4.3. When a site opportunity is identified, extensive due diligence is undertaken considering technical matters including planning, design, and construction risk.
- 4.4. The Appeal Site meets the key criteria and represents an excellent location to support the Proposed Development and use. The Appeal Site benefits from strong underlying need, good local financial demographics within the catchment area, as well as an opportunity to improve accessibility to the town centre and local amenities through the creation of higher quality and safer routes particularly for buggies as a result of the Proposed Development. This opportunity applies equally to Scheme A and Scheme B.

Site Acquisition

- 4.5. The Appellant acquired the Appeal Site in two parcels. The initial acquisition in March 2019 was of part of the freehold title of the hospital site, registered under title number SY860843 (the "Hospital Site") on an unconditional basis. The remainder of the land forming the Appeal Site, registered under title number SY668491 (the "St Kilda Trust Site") was acquired on a subject to planning basis from St Kilda NHS Trust in November 2020 (See Figure 1 for Title Overlay which shows the extent of the land acquired including the

proposed buildings outlined in blue, with the Hospital Site identified as Plot 2A). The acquisition of each is set out hereafter.

4.6. Sections 4.7 and 4.8 cover the acquisition of the two parcels of land which comprise the Proposed Development. Wide-ranging discussions also took place with the neighbouring landowners.

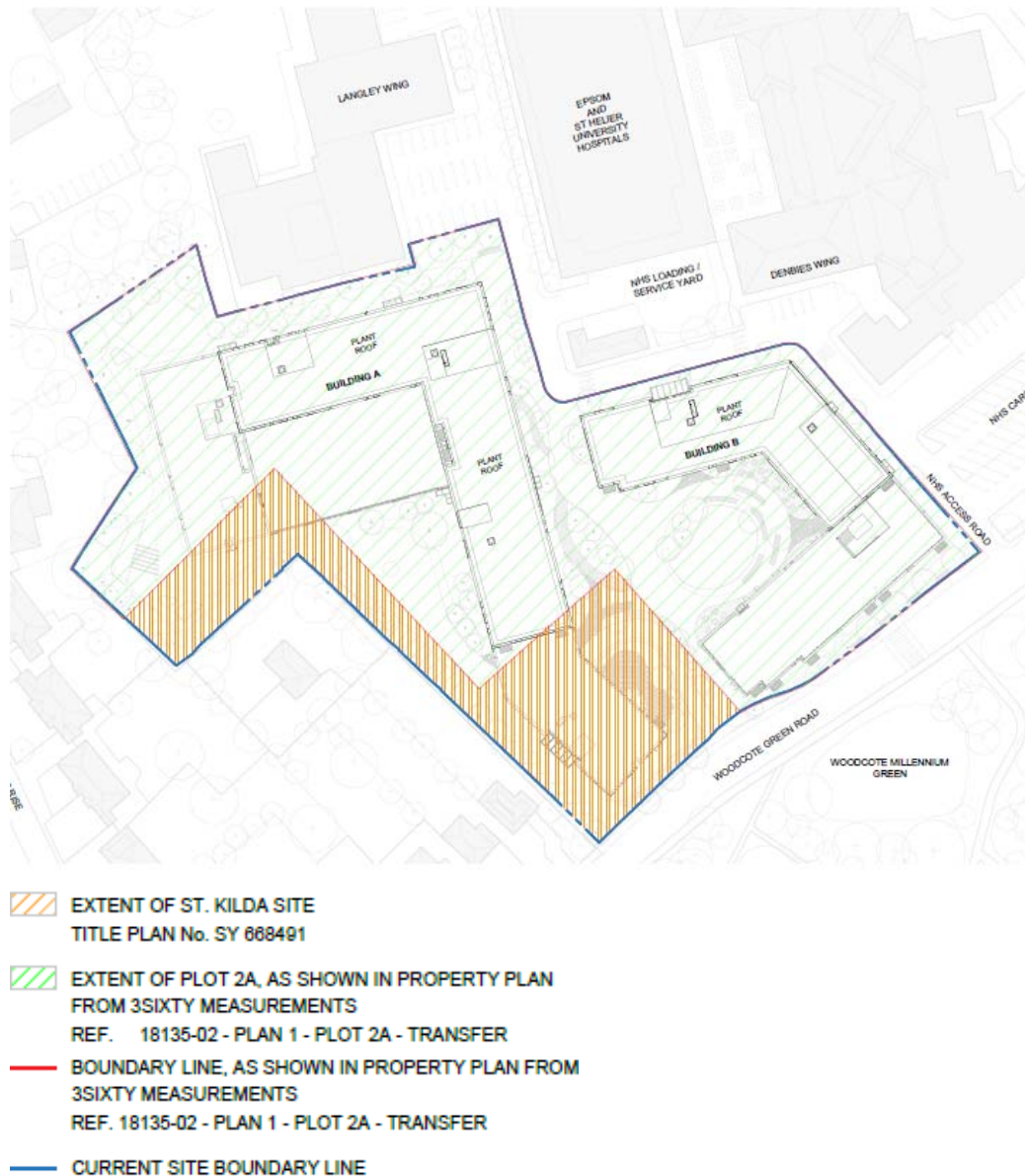


Figure 1; Title Plan Overlay

4.7. Hospital Site

4.7.1. The Appellant acquired the Hospital Site from Epsom and St Helier University Trust in March 2019, with the buildings in use on acquisition.

4.7.2. The land was disposed of by the NHS in accordance with 'The efficient management of healthcare estates and facilities (HBN 00-08)' which is the relevant guidance document set by The Department of Health and Social Care (Appendix MS2). As part of this process, the Epsom and St Helier University Trust was required to adhere to the following guidelines:

"All decisions regarding land and property should be supported by a robust business case. Due diligence will form part of the process alongside market conditions, planning, financial implications and legal title in the context of the planned disposal, and timescales. The estate records of all land and property for disposal must be checked so that the potential proceeds from sales and savings in overheads from the disposal of different sites may be compared.

If the sale of land and property is a key part of meeting re-provision costs, consideration should be given to obtaining a preliminary report covering market conditions, planning constraints and legal title in the context of the planned disposal, and timescales, before the business case is finalised.

Covenants affecting the land and property may prevent its sale at the anticipated or higher price. Legal advice should be sought.

Whenever a property is identified as potentially surplus to requirements, the business case should identify the holding costs, including any exceptional maintenance, security or other costs.

An assessment should be made of the property's suitability for sale in its present state, and what (if any) work may need to be done to prepare it for sale.

A clear statement of responsibilities should be developed that identifies the roles to be played by individuals in the disposal team – such as management of the process and specific areas of work needed to complete the sale.

The business case should identify the need for receiving a receipt within any particular financial year and evaluate any exceptional risks that might arise which may delay completion of the transaction. "

- 4.7.3. For the Epsom and St Helier University Trust, the land disposal means a more efficient use of the space and land they own, saves them money on maintaining and securing disused buildings, unlocks in excess of £15 million for investment into existing buildings at Epsom Hospital and results in building a new facility for their clinical administrative support staff working at Epsom.
- 4.7.4. The investments that were part funded from the land sale and are completed included;
- A new 30 room outpatient facility in Woodcote Wing
 - Replacing all windows in Bradbury and Denbies Wing
 - A new outpatient therapy centre in Langley Wing
 - Refurbishing some of the lifts at Epsom Hospital
 - A new clinical administration building
 - Replacing the old steam boilers with a combined heat and power plant
 - Replacing all the lighting in the hospital with modern energy efficient LEDs
 - Expansion to the Emergency Department and Urgent Treatment Centre providing increased assessment and treatment cubicles
- 4.7.5. Further investments that were part funded from the land sale and are in progress include;
- Replacing the air handling plant in Wells Wing to reduce summer temperatures

- A new decked car park (Planning Application refused at Committee)
- A link bridge from Wells Wing to Langley Wing
- External refurbishment of Wells Wing including roof replacement and replacement of window

4.7.6. The developments are in accordance with the NHS Trust's long term plans.²

4.7.7. As highlighted by the letter from the Trust (Appendix MS3) it was important for the Trust that a purchaser was selected that came forward with a proposal that was complementary to the clinical services provided by the Trust. The Proposed Development was selected not only on price but because the Proposed Development matched a number of the requirements of the trust including;

- Overnight beds which can be used as a 'step down' facility for patients on their journey back to their own environment, easing pressure on hospital beds and enabling easy patient transfer
- 24 Key Worker Units specifically for NHS staff which will support the recruitment and retention of staff especially junior doctors
- Ground floor facilities that are open to the Trust staff and the local community
- Nursery with places prioritised for NHS staff which supports recruitment and retention of staff

4.8. St Kilda NHS Trust

4.8.1. The St Kilda Trust Site was acquired on a subject to planning basis on November 2020.

4.8.2. Engagement on the acquisition of the site commenced in May 2019.

4.8.3. The St Kilda Trust Site previously provided 24 residential units (Use Class C3) for hospital staff and workers.

4.8.4. As part of the Proposed Development, 24 residential Key Worker units are provided. These units are occupied by St Kilda NHS Trust

² <https://www.epsom-sthelier.nhs.uk/epsom-and-st-helier-2020-2030>

under a long leasehold interest and will continue to provide residential accommodation for workers at the hospital, subject to the restrictions within the s106 Agreement.

- 4.9. The acquisition of the Appeal Site presents a comprehensive redevelopment opportunity to deliver a high-quality Extra Care development alongside new public open space, publicly accessible amenities, a nursery and provision of Key Worker units. Both Guild Living and L&G's aspiration is to deliver a high quality of design that improves the quality of the site in its context and knits the Proposed Development within the wider townscape and the community.
- 4.10. The above section applies equally to Scheme A and Scheme B.

The Proposed Development

- 4.11. The full description of the Appeal Site, the planning history, a description of the surrounding area and the details of the development proposals are set out in the supporting documents to the Appeals, including Planning Statements and the Design and Access Statements (Scheme A – 1.3.10 / 1.5.2 | Scheme B - CD 2.2.23 / 2.2.10).
- 4.12. Guild Living provides Extra Care housing for older people with a focus on staying healthier for longer, with a primary mission to enable people to live healthier lives resulting in longer periods of happiness, fulfilment, and independence.
- 4.13. Guild Living focus on urban locations for their later living schemes, to facilitate full engagement with the town centre amenities and the community. The Proposed Development is outward looking and integrated within the urban environment and town centre.
- 4.14. The Proposed Development as described in full within the draft Statement of Common Ground consists of 339 (Appeal A) or 305 (Appeal B) Extra Care units along with 24 Key Worker Units, extensive communal facilities, landscaping, and public realm.
- 4.15. The Proposed Development benefits from its immediate surroundings, including its adjacency to the hospital and its facilities, Woodcote Millennium Green, Epsom Sports Club which offers lawn tennis, croquet, hockey, and cricket, and Epsom Common.
- 4.16. Alongside the immediate surroundings, the accessibility of the Appeal Site to the town centre is also very good, with bus stops on Woodcote Green

Road and Dorking Road which will benefit from bus infrastructure improvement works secured within the s106 Agreement.

- 4.17. There is good pedestrian access (including buggies/mobility scooters) to local amenities, with the landscaping of the Proposed Development designed to centre on pedestrian connectivity through the Appeal Site.
- 4.18. In consultation with the LPA's Officers key pedestrian routes have been maintained through the Appeal Site.
- 4.19. These routes integrate the pedestrian and cycle links through the Appeal Site connecting the hospital estate to the wider green context. This connection along with the proposed new landscaped area is intended to bring the public through the heart of the Proposed Development.
- 4.20. The successful operation of the communal facilities is based on use by members of the public alongside future residents therefore the design has focused on ensuring the ground floor is open, accessible, and inviting.
- 4.21. Active frontages including indoor and outdoor seating are proposed within the Proposed Development, along with the entrances to the restaurant, café, and wellness centre being focused on the central courtyard to ensure that the public are actively encouraged to use the communal facilities. The co-location of the nursery also supports intergenerational activity.
- 4.22. The Proposed Development enables the delivery of care that supports residents' existing care needs on entry, and should these needs increase, the proposals provide the environment (through the purpose-built building) and capability (through the domiciliary care provider) to look after the residents needs as these increase over time.
- 4.23. Residents can occupy either a Guild Living Residence ("GLR"), Guild Care Residence ("GCR") or Guild Care Suite ("GCS") extra care unit through private ownership and market rent models, defined as "Extra Care Housing or housing-with-care" by the NPPG (June 2019).
- 4.24. This combination of urban living, with the wrap around availability of up to 24-hour care, provides a unique opportunity to ensure older people remain within their homes, in the heart of the town and community, continuing to benefit from everything a town centre has to offer, while receiving health and wellbeing care and delivering benefits to the NHS and Social Services as set out in section 5 of this proof.
- 4.25. The above section applies equally to Scheme A and Scheme B.

Guild Living Residences

- 4.26. The 301 (Appeal A) or 267 (Appeal B) GLR's represent a private ownership model.
- 4.27. The GLR units comprise a mixture of 1, 2 and 3 bedroom fully self-contained units.
- 4.28. The GLR units are designed with specialist adaptable features to meet the needs of older residents' and which can be further adapted as they age in place, including:
- An emergency call system
 - Lift access to upper floors
 - Level access to all properties with doorways widened to facilitate wheelchairs, mobility scooters, etc
 - Kitchen worktops and wall cupboards lowered
 - Ovens, microwaves, fridges and freezers installed at a height to reduce bending down and stretching
 - Toilet seats at an increased height
 - Washbasins installed to enable wheelchair use
 - Shower trays provide level access and avoid steps
 - Walls and ceilings capable of installing grab rails, etc
- 4.29. All units are designed to comply with M4(2) Accessible and Adaptable Dwellings⁴ standards including step-free access to the Extra Care unit and communal facilities, easy to use ironmongery, and features enabling common adaptations to be carried out in future to increase the accessibility and functionality of the unit.
- 4.30. Additionally, the GLRs are designed to dementia-specific design principles such as good contrast between the floors, walls and ceilings, avoiding glossy and reflective surfaces and omitting highly patterned floors and worktops.
- 4.31. The design standards enable the units to support the needs of the prospective residents on entry and as these needs increase. These features are set out within the s106 Agreement.

⁴ The Building Regulations 2010 – Approved Document M – Access to and use of Buildings – Volume 1: Dwellings – M4(2) Category 2: Accessible and adaptable dwellings

- 4.32. The GLR units are long-term homes for residents who are capable of independent living, designed for ageing in place. They are intended for an individual or couple to occupy, with occupancy controls to enforce this included within the s106 Agreement.
- 4.33. The units would be made available based on a 250 year long leasehold interest, subject to the entry and occupancy conditions.
- 4.34. Entry requirements are secured by the s106 Agreement. This restricts occupation of any unit within the Proposed Development to ensure that at least one occupant meets the requirements of a Qualifying Person, which are:
- A minimum aged of 65 years.
 - A minimum level of personal care (2.5 hours a week) is required.
 - An Assistance Plan for what care each resident requires.
- 4.35. Care is provided to the units by a regulated provider of domiciliary care, whose regulated services are registered with the CQC. The provision of care includes personal care, nursing care and dementia care which are provided by the domiciliary care provider.

Guild Care Residences & Guild Care Suites

- 4.36. The 38 [Appeal A and B] GCRs and GCSs represent a market rent product.
- 4.37. These units are designed to support those residents who still seek to live with independence but may have a greater care need than those residents within the GLRs. Located on the 2nd floor, directly above the Wellness Suite and Amenities (see Figure 2 below), members are able to access a range of services and facilities ensuring immediate availability of support and enablement as and when required. They also have access to the adjacent Sensory Garden area.

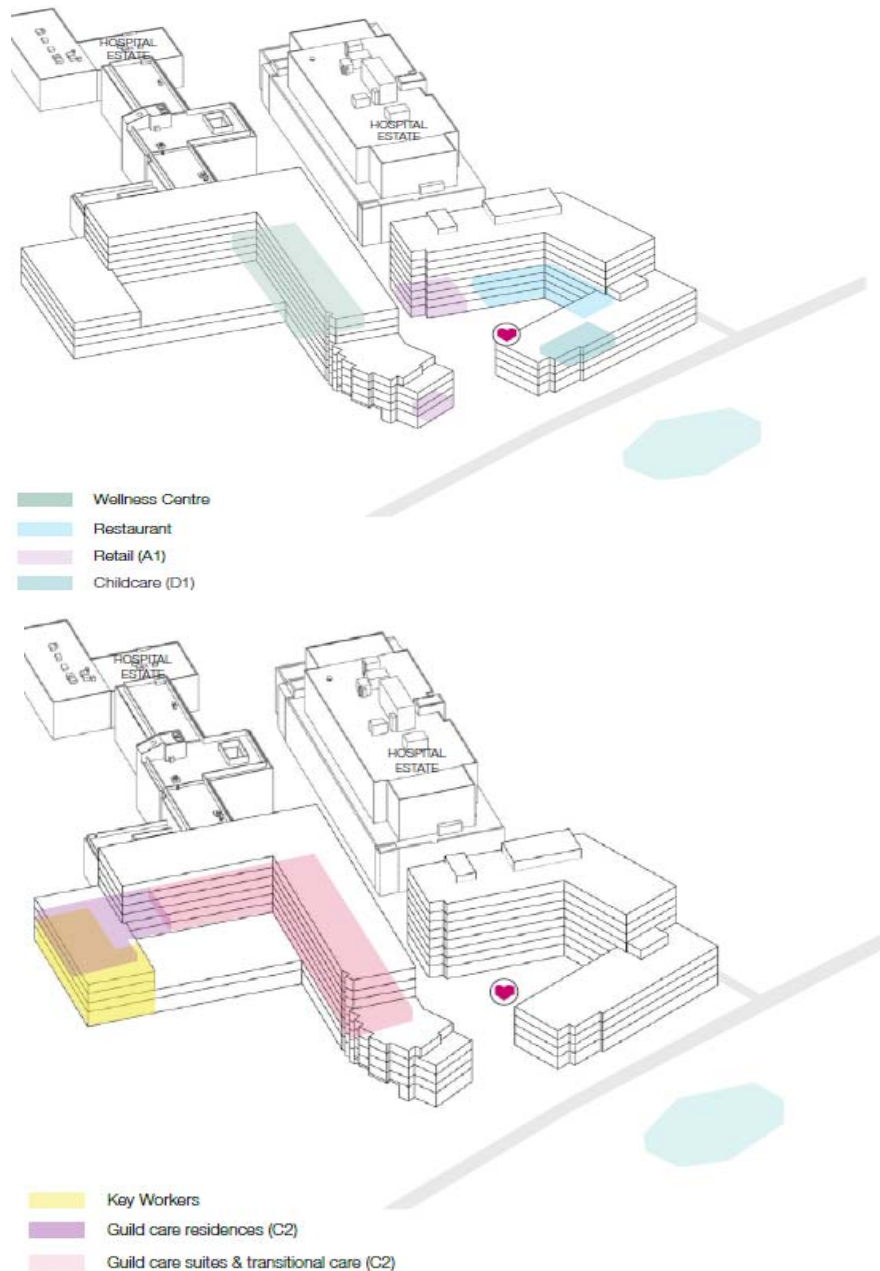


Figure 2; Location of GCR and GCS to Wellness Centre and Amenities

4.38. The GCRs and GCSs are designed to comply with M4(3) Wheelchair User Dwellings standards⁵. The units are sized to meet the needs of a wheelchair user including wheelchair storage and transfer areas, along with a recessed ceiling hoist system being installed. This also includes step-free

⁵ The Building Regulations 2010 – Approved Document M – Access to and use of Buildings – Volume 1: Dwellings – M4(2) Category 3: Wheelchair User Dwellings

access to the Extra Care unit and communal facilities, easy to use ironmongery, and features enabling common adaptations to be carried out in future to increase the accessibility and functionality of the unit.

- 4.39. The GCRs offer a larger accommodation and space than the GCSs. The GCSs are designed for single occupancy use.
- 4.40. The units are able to receive domiciliary care support including the provision of personal care, nursing care and dementia care provided by a domiciliary care provider registered with the CQC. The hoist installation, alongside the proximity to clinical facilities (sluice room, medial store, etc) allows for a larger range of care requirements to be met within the unit.
- 4.41. The units are occupied under an Assured Short Hold Tenancy Agreement, with the entry requirements as defined by the s106 Agreement.

Care Provision

- 4.42. Care will be delivered on site by a care provider registered with the CQC as a domiciliary care provider to deliver regulated services within the development (as defined by CQC registration).
- 4.43. This requirement for CQC registration is defined within the s106 Agreement, requiring the Appellant to appoint a provider of care at the Proposed Development who can deliver these services for the residents.
- 4.44. The approach to the delivery of care within the Proposed Development will focus on three areas of health; physical wellbeing, cognitive wellbeing and, emotional wellbeing.
- 4.45. Programmes have been created to help in improving, maintaining, or regaining ability and confidence across all three.
- 4.46. These programmes include physical therapy to build strength, balance, stability, and cardiorespiratory benefits that as a result prevent falls, improve circulation, and reduce cardiovascular related disease and strokes.
- 4.47. Cognitive and Emotional care addresses the needs of those with possible cognition impairments through clear signposting, reducing confusion, maintaining routine and stimulating neurological functionality.
- 4.48. Emotional programmes are there to look at key drivers that lead to loneliness or isolation, such as bereavement, losing independence or lack of social connection. The programmes will use various support networks,

reigniting a sense of value and identifying options to provide purpose in everyday life.

- 4.49. Under the NHS Long Term Plan, people have a level of choice and control over their health choices. A resident can secure care from a provider of their choice (who also meets the requirements as set out in the s106 Agreement), this provider would be allowed access to the Proposed Development and facilities as they require to deliver the service to the resident. Access will be arranged via the on-site manager.
- 4.50. All residents are required to comply with the Assistance Plan, irrespective of who is providing their care in line with the s106 Agreement obligations. Guild Living, on behalf of the Appellant, will be responsible for monitoring the Assistance Plan for each unit, ensuring that this is in compliance with the s106 Agreement obligations.

Residents and Public Shared Facilities and Amenity

- 4.51. The Proposed Development provides services and ancillary facilities for the benefit of the residents and the wider local community (see Figure 2 above). As noted above, this provides the opportunity for beneficial interaction between the residents and the local community.
- 4.52. The café and restaurant would be open to the public. The gym and wellness centre would be accessible to the public through membership.
- 4.53. The ground floor areas also have hospitality space that is open and available to the local community. Informal dining, social gatherings and private function space all make up areas that will be open to the local community to benefit from.
- 4.54. The nursery is located adjacent to the restaurant and café, facing on to the central plaza. The nursery is easily accessible for hospital employees and the wider community, and its location adjacent to the restaurant encourages intergenerational activity. For example, as highlighted in the letter from the NHS Trust (Appendix MS3), where the Trust has a nursery on the St Helier Hospital site the nursery is integrated into the hospital with events throughout the year that stimulate some of the patients and bring joy to the whole hospital environment. The Appellant has been in contact

with the two main nursery providers in Epsom, both of whom were interested in the nursery opportunity.

- 4.55. The grounds surrounding the Proposed Development will also enable the local community access to more external space as part of the wider masterplan. The masterplan design encourages pedestrian movement through the site with areas to pause and enjoy the landscape, creating a welcoming place for both residents and the wider community.
- 4.56. These ancillary spaces will be occupied and managed by the Guild Living operational company that manages the rest of the building, with staff contracted directly to this company.
- 4.57. The forecast staff requirements for the Proposed Development (including Care) are circa 50-55 Full Time Equivalent for Scheme B and 55 to 60 Full Time Equivalent for Scheme A when at capacity (Appendix 19 & 20 (Infographics) to the Proof of Mr Spencer).

Prospective Purchasers

- 4.58. The business model is based on delivering urban extra care communities to support the delivery of housing choice when considering later living, providing an opportunity for residents to benefit from the extra care accommodation, whilst remaining at the heart of the local community.
- 4.59. The size of developments delivers economies of scale that apply to the ongoing costs of occupation, making the proposals more accessible to purchasers within the catchment area.
- 4.60. Sites are selected based on key characteristics including (but not limited to):
- The level of need for extra care accommodation within the catchment.
 - Accessibility to local amenities.
 - The level of underlying housing and long-term income wealth within the catchment.
- 4.61. The business model assesses the depth of the market by considering the number of households within the catchment who are aged 65+ years and have sufficient housing equity to enable them to relocate to the scheme. This total number of households (65+ years with sufficient housing equity) is then compared to the number of households that are expected to have a personal care requirement (in line with qualifying criteria set out in the s106

Agreement) and the level of household income, i.e. pension income. The ongoing cost is assessed between a prospective purchaser (with their financial advisors as required) and Guild Living, with the intention to forecast ongoing costs so that incoming residents have a clear understanding of the financial requirements before committing to moving into the development.

- 4.62. The model aims to provide a proposition whereby the purchase price of moving into the development is less than the amount of equity within their existing property.
- 4.63. The level of long-term income available to prospective purchasers within a catchment area is considered so that, alongside housing equity, there is sufficient income streams to cover future costs.
- 4.64. As part of identifying a site, Guild Living review the profile of prospective purchasers to ensure that a development will be successful within the local market.
- 4.65. The local demographic profile shows that there are over 75,000 people aged 65years+ within the circa 5-mile Market catchment area, and is projected to rise by over 39 per cent between 2021 and 2041 (Housing with Care Need Update July 21 – Appendix 11 to the Proof of Mr Spencer).
- 4.66. Homeowners, comprising 75.3 per cent of older person households in the 5-mile Market Catchment, will not be eligible for 'affordable' extra care provision and will rely on private supply to meet their needs (Housing with Care Need Update July 21 – Appendix 11 to the Proof of Mr Spencer).
- 4.67. There is a forecast need for 951 private extra dwellings within the 5-mile Market Catchment. (Housing with Care Need Update July 21 – Appendix 11 to the Proof of Mr Spencer).
- 4.68. Guild Living has developed a customer proposition to relate to the local market based around:
 - Supporting residents with outward-facing communities within urban locations.
 - Community-centric facilities to benefit both the residents and the wider community.
 - Provision of a wellness platform based on nutrition, cognitive, physical, emotional, financial and care support.

- A provision of care that is tailored to the needs of the residents whilst ensuring independence is maintained.
- Development of technology to positively impact the health span and independence of residents.
- A proposal designed around the three accommodation types – GLR, GCR and GCS – which caters for care needs as they increase over time, with a choice of tenure options to suit resident’s needs.
- Purchasers of Extra Care accommodation must have a personal care requirement to meet the qualifying criteria which regulates access to the Proposed Development.
- A choice to move is because purchasers are seeking to maintain independence, alongside long-term security of care and confidence that the Proposed Development can meet their care requirements as they evolve.
- The purpose-built design of the Proposed Development is planned to address the needs of these prospective purchasers.

5. The Benefits of the Extra Care Model

Need

- 5.1. The housing needs of older people is 'critical' (PPG Paragraph 001, Reference ID: 63-001-2090626). This is the only typology of housing that is identified in the PPG as being of such importance.
- 5.2. Guild Living recognises this unmet need which exists in the Epsom and Ewell area and the importance identified by the Government.
- 5.3. Guild Living is committed to the early delivery of extra care housing hence their investment in the Alliance Contractor Framework and securing efficient routes to delivery.
- 5.4. The need for extra care housing is demonstrated by this Appeal and it is agreed in the LPA that there is currently an unmet need for extra care housing in the borough.
- 5.5. Scheme A would deliver 339 units of housing with care, whereas Scheme B would deliver 305 units of housing with care.

Economic Benefits

Employment

- 5.6. The Proposed Development will provide a mix of employment opportunities in the town centre. It is anticipated, based on in house expertise and operational data from IV, that the Extra Care proposals will support 60 direct jobs once operational for Scheme A, and 55 jobs once operational for Scheme B (Appendix 19 & 20 (Infographics) to the Proof of Mr Spencer). These direct jobs are at varying levels and across a spectrum of areas, for example Operational and CQC Forecast Staffing for Scheme A is set out below at 5.7, 5.8 & 5.9. The distribution of job and job ratios will be the same for Scheme B;

Operational Staffing

- 5.7. 44 employment opportunities are forecast within the operational aspect of the building (i.e. restaurant, café, gym/wellness, support space and communal services across the site), these are attributed as follows:
 - 7 staff within Management roles for example Restaurant Manager, Wellness Manager, Operations Manager, and Maintenance Manager

- 7 staff across administration roles for example village management, sales, office administration and finance management
- 30 staff across roles including cleaning, transportation, activities, maintenance, food and beverage and wellness services

CQC Staffing

- 5.8. A further 16 anticipated employment opportunities are directly associated with the delivery of care.
- 5.9. It is forecast that 1 role would be in Management, 2 in administration and 13 in the delivery of care.
- 5.10. The registered care provider must ensure that people who use services have their needs met and that the regulated activity is managed by an appropriate person who has the necessary qualifications, competence, skills, and experience.
- 5.11. The registered care provider will be responsible for ensuring there are the right number of suitably qualified, competent, and experienced staff to meet the needs of the people using the service at all times. The number of anticipated jobs is expected to increase as the scheme matures to meet the increasing needs of residents. Teams must receive the support, training, professional development, and supervision for them to carry out their role and responsibilities which includes a pathway to achieving a care certificate. The registered care provider will also need to support them to obtain further qualifications, where required, to the appropriate regulator to show that they meet the professional standards needed to contribute to practise.

Construction Jobs

- 5.12. Scheme A represents a construction investment of circa £124.4 million (Appendix 19 & 20 to the Proof of Evidence of Mr Spencer).
- 5.13. Scheme B represents a construction investment of circa £105.3 million (Appendix 20 to the Proof of Evidence of Mr Spencer).
- 5.14. This construction investment is a reflection of the potential benefit to the local economy through the creation of temporary employment through the construction phase. This is derived as a product of the construction costs, which incorporates both capital and labour costs.

5.15. The construction works are estimated to directly support between 208 (Scheme A) and 176 (Scheme B) temporary jobs on site with a further 88 (Scheme A) and 75 (Scheme B) temporary jobs supported through the supply chain.

5.16. It is anticipated that the development will generate a total of £41.5m (Scheme A) and £35.1m (Scheme B) of Gross Value Added to the wider regional economy (Appendix 19 & 20 to the Proof of Evidence of Mr Spencer).

5.17. These economic benefits are further expanded in the proof of Mr Spencer.

Other Economic Benefits

NHS and Social Care

5.18. Various recent reports have identified the NHS and Social Care savings associated with the delivery of Extra Care Housing. A report by Aston Research Centre for Healthy Ageing and the Extra Care Charitable Trust in April 2015 (CD 1.7.10) examined whether Extra Care housing provides positive impacts for health ageing which result in measurable health and social care cost savings to the NHS. A total of fourteen Extra Care schemes took part in the project.

5.19. The key findings identified in the report were that:

- People living in care communities will spend 1-2 days in hospital per year compared to the average for older people living in their own homes of 8-14 days
- A 46% reduction in residents' routine or regular GP appointments.
- A significant reduction in the duration of unplanned hospital admissions
- Improvements in cognitive functions, depression and anxiety including significant improvements in overall psychology wellbeing, memory and social interaction.

5.20. Evidence of the health outcomes and healthcare cost savings are expanded further in the proof of Mr Spencer.

Freeing up family housing

5.21. The delivery of Extra Care proposals frees up under-occupied family homes.

5.22. A 2020 report by Homes for Later Living entitled 'Chain Reaction: the positive impact of specialist retirement housing on the generational divide

and first-time buyers' (Appendix MS4) states that 'If all homeowners over the age of 65 in England who wanted to move were able to do so, they would directly release one million properties back on to the market and free up two million spare bedrooms.' The report highlights the issue of under-occupancy and acknowledges that a significant number of older people are living in larger family homes with spare rooms.

- 5.23. This evidence is supported by a report produced by the Strategic Society Centre / James Lloyd entitled 'Valuing Retirement Housing: exploring the economic effects of specialist housing for older people' (Appendix MS5) which identifies that 72% of the aged 65+ years owner occupier group have three or more bedrooms in their home, further demonstrating the issue of 'under-occupancy'.
- 5.24. Evidence of the market transactional benefits of Extra Care Housing are expanded further in the proof of Mr Spencer.

Additional benefits of the Proposed Development

- 5.25. The Proposed Development offers the opportunity to regenerate a strategic site to create a new area of productive and attractive townscape with high quality buildings and new public realm.
- 5.26. The communal facilities including the restaurant, café, and wellbeing centre are all open to the public. This ensures that the communal facilities offer benefit to both residents and the general public.
- 5.27. With 80% of nursery spaces being prioritised for NHS Staff secured via the s106 Agreement the nursery supports the recruitment and retention of Hospital Staff.
- 5.28. Sustainability is at the core of L&G's strategic objectives; the Proposed Development will be Operational Net Carbon Zero from the day it opens in line with the commitment that all Legal and General homes will be net zero carbon enabled by 2030.
- 5.29. These benefits apply equally to Scheme A and Scheme B unless specified otherwise.

6. Conclusion

- 6.1. This Proof of Evidence seeks to provide a clear understanding of the Appellant and Guild Living, the Proposed Development and the overall Guild Living model, including identifying any relevant differences between Scheme A and Scheme B (noting that the practical and design differences are dealt with by Mr Earwicker, Mr Spencer, and Mr Williams).
- 6.2. L&G is one of the world's largest insurers and a global top 20 asset manager that manages more than £1.2 trillion of assets, serves 9.5 million customers in the UK and pays more than 1 million pensioners monthly.
- 6.3. L&G has been engaged in the housing sector for over 20 years with ambitions to continue to develop this sector through a multi-tenure housing strategy. This is led by a group of market-leading residential focused housing companies, providing extensive market knowledge and a track record of delivery.
- 6.4. Guild Living, in partnership with the Appellant, provides a depth of global experience in the design, delivery and operation of Extra Care Communities.
- 6.5. The Proposed Development represents two schemes both with a primary mission to enable residents to live healthier lives resulting in longer periods of happiness, fulfilment and independence.
- 6.6. The urban location provides choice to prospective purchasers within the Extra Care market, enabling them to live within urban settings and the opportunity for residents to benefit from town centre amenities, whilst meeting their care needs.
- 6.7. These proposals are cohesively designed with the communal facilities accessible to the public which are outwardly facing to enable the public to use the facilities and support integrating the Guild Living community as an active part of the existing community.
- 6.8. The Proposed Development also delivers a nursery and 24 Key worker units which support a vibrant mix of uses and providing opportunities for inter-generational activity.
- 6.9. The Proposed Development is made up of C2 Extra Care units which are purpose designed for the Extra Care market to enable independent living

whilst meeting the personal care needs of the residents, which is met through the CQC regulated domiciliary care provider.

- 6.10. The assessment of the Appeal Site characteristics, the need for Extra Care units within the catchment, and the opportunities associated with the Proposed Development delivers an overall offer that we believe will be attractive to prospective purchasers.
- 6.11. Ultimately, the Proposed Development is purposefully designed to integrate within its urban context and meet the needs of prospective purchasers.
- 6.12. The Proposed Development will enable the delivery of the direct benefits that are secured by those who move into the scheme as well as delivering the additional benefits achieved through lessening the impact on the NHS and local health services, and freeing up local family housing.