

SWDP 3: Employment, Housing and Retail Provision Requirement and Delivery



- A. The South Worcestershire Councils (SWC) will plan, monitor and manage the delivery of housing, employment land and retail floorspace from 2006 to 2030, in accordance with Tables 4a, 4b(i), 4b(ii), 4c and 4d and the site allocations set out in SWDP 43 to SWDP 59.
- B. Employment land provision for about 280ha will be made during the plan period, comprising the area subtotals, which are separate and non-transferable, set out in Table 4a.

Table 4a: EMPLOYMENT LAND PROVISION 2006-2030

EMPLOYMENT LAND PROVISION 2006-2030	SUB-AREA TOTALS (ha)
Wider Worcester Area (WWA) ⁽⁸⁾	120
Malvern Hills (excluding WWA)	40
Wychavon (excluding WWA)	120
South Worcestershire TOTAL *	280
<i>*of which Worcester City</i>	80

- C. Housing provision will be made for about 28,400 dwellings (net) during the plan period, comprising the area subtotals, which are separate and non-transferable and comprise the related market housing and affordable housing provision sub-totals, as set out in Table 4b(i). The annual requirement rates in Table 4b(ii) will apply when monitoring delivery of the area sub-total targets set out in Table 4b(i), and when calculating the five-year supply requirement for the purposes of Framework paragraph 47.

Table 4b(i): HOUSING PROVISION 2006-2030 (net number of dwellings)

SUB AREA	AREA	AREA SUBTOTAL#	Market Housing	Affordable Housing ⁽⁹⁾
Wider Worcester Area (WWA)	Wider Worcester Area	12,150	8,350	3,800
	Wider Worcester Area (Worcester City)	6,800	5,100	1,700
	Wider Worcester Area (Malvern Hills and Wychavon*#)	5,350	3,250	2,100
Malvern Hills (excluding WWA)	Malvern Hills (excluding WWA)	5,650	3,950	1,700
Wychavon (excluding WWA)	Wychavon (excluding WWA)	10,600	7,300	3,300
	South Worcestershire	28,400	19,600	8,800

Notes to Table 4b(i)

Figures may not sum due to rounding.

* Located within the district(s) of Malvern Hills District and Wychavon District

For monitoring purposes the target (market housing and affordable housing) for that part of WWA within Malvern Hills District is 4,450 and the target for that part of WWA within Wychavon District is 900.

Table 4b(ii): HOUSING PROVISION – ANNUAL REQUIREMENTS (net number of dwellings)

AREA	AREA SUBTOTAL	ANNUAL REQUIREMENT		
		2006-2015	2015-2018	2018-2030
Wider Worcester Area (Worcester City)	6,800	283	371	261
Wider Worcester Area (Malvern Hills)	4,450	0	0	371
Wider Worcester Area (Wychavon)	900	56 (2014/15 only)	56	56
Malvern Hills (excluding WWA)	5,650	235	308	217
Wychavon (excluding WWA)	10,600	442	578	407
South Worcestershire	28,400	960 (1,016 in 2014/15)	1,314	1,314

Note to Table 4b(ii)

Figures may not sum due to rounding.

- D. Retail provision will be made for about 50,000 square metres (net floorspace) during the plan period.

Table 4c: RETAIL REQUIREMENTS 2013-2031 (net floorspace sq.m.)

	Convenience	Comparison	Total
Wider Worcester Area (WWA)*	0	30,726	30,726
Malvern Hills (excluding WWA)	669	6,786	7,455
Wychavon (excluding WWA)	0	1,326	1,326
South Worcestershire	669	38,838	39,507
*of which Worcester City	0	26,726	26,726

- E. The supply of employment land, housing and retail floorspace to meet the provision requirements is set out in Table 4d.

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TABLE 4d: TOTAL OVERALL PROVISION 2006-2030

	Employment land (ha)	Homes ^K	Retail floorspace (sq.m. net)	
SUPPLY COMPONENTS				
Wider Worcester Area			Food	Non-Food
Completions ^A	9	3,066 ^L	5,111	10,085
Commitments ^B	35.4	1,866 ^M	1,273	8,197
Windfall Allowance ^C	N/A	644	N/A	N/A
Urban Capacity Allocations ^D	34.76	1,800	0	22,000
Urban Extensions ^{E,F}	41		3,000	1,000
Urban Extensions (Worcester City) ^{E,F}		80		
Urban Extensions (Malvern Hills District) ^{E,F,G}		4,502		
Urban Extensions (Wychavon District) ^{E,F}		385		
SUPPLY Subtotal	120.16	12,343	9,384	41,282
Malvern Hills (excluding WWA)				
Completions ^A	10.84	1,944	0	0
Commitments ^B	10.76	1,579	880	88
Windfall Allowance ^C	N/A	372	N/A	N/A
Urban Capacity Allocations	9	659	1,011	3,724
Urban Extensions	10	800	0	0
Village Allocations ^H	0	346	0	0
Tenbury Wells Allocations	0	75	0	0
Upton-upon-Severn Allocations	0	0	0	0
SUPPLY Subtotal	40.6	5,775	1,891	3,812

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	Employment land (ha)	Homes ^K	Retail floorspace (sq.m. net)	
Wychavon (excluding WWA)				
Completions^A	32.38	3,613	2,616	4,212
Commitments^B	52.88	4,639	2,468	3,338
Windfall Allowance^C	N/A	876	N/A	N/A
Urban Capacity Allocations	0	630	500	750
Urban Extensions	33.5	709	0	0
Village Allocations^H	0	604	0	0
Major Rural Employment Allocations (Throckmorton Airfield^I and Interbrook, Pinvin^J)	14.45	N/A	N/A	N/A
Major Developed Sites intensification (land equivalent)	7	N/A	N/A	N/A
SUPPLY Subtotal	140.21	11,071	5,584	8,300
South Worcestershire	300.97	29,189	16,859	53,394
TOTAL SUPPLY				

Notes to Table 4d

^{A.} Total number of dwellings (net) completed 1 April 2006 - 31 March 2015.

Total amount of employment space completed 1 April 2006 - 31 March 2011.

Total amount of retail floorspace (net) completed 1 April 2006 - 31 March 2013.

^{B.} Total number / amount of homes / employment space with planning permission. In Wychavon this includes 201 park homes at Leedons caravan park, Broadway. A discount of 5% for planning permissions not being implemented has been applied to all outstanding housing commitments (excluding dwellings under construction).

Dwelling commitments are as at 31 March 2015.

Employment commitments are as at 31 March 2011.

Retail commitments are as at 31 March 2013.

^c Windfall is unallocated housing development. The annual windfall rate allowances for 2017 - 2026 and for 2026 - 2030 respectively are:

- Worcester 63 and 42 pa. (This applies to Worcester City, there are no windfalls forecast in the WWA urban extensions.)
- Malvern Hills (ExWWA) Sub Area 35 and 23 pa.
- Wychavon (ExWWA) Sub Area 82 and 55 pa.

To avoid double counting with the completion of small windfall commitments existing at 2015, the allowance for small, non-garden windfall completions is for the period 2018/19 to 2029/30. In addition, this allowance is reduced further by discounting the supply of small site allocations (5 to 9 dwellings) that could otherwise be windfalls forecast for completion 2018/19 to 2030.

^d These allocations are all within the Worcester City administrative area and are set out in policies SWDP 43 - 44.

^e These allocations are beyond the Worcester City administrative area, except for approximately 80 dwellings on site SWDP 45/1. The Urban Extensions are set out in SWDP 45.

^f The retail floorspace for Worcester urban extensions excludes small shops proposed in SWDP45/4.

^g 180 dwellings within the site allocation SWDP45/1 are anticipated to be completed after the end of the Plan period. These are additional to the 4,502 dwellings supply identified within the Wider Worcester Area (Malvern Hills) to 2030.

^h Village allocations are set out in policy SWDP 59.

ⁱ Policies Map reference SWDP3/1.

^j Policies Map reference SWDP3/2.

^k The completions and commitments supply totals include dwellings on SWDP site allocations that were completed by the end of March 2015 or committed at that date. To avoid double counting, the totals in the allocations supply categories exclude those completions and commitments on SWDP allocations.

^l Completions in the Wider Worcester Area (March 2015) comprised: 3,046 in WWA (Worcester City) Area; 20 in WWA (Wychavon) Area; and 0 in WWA (Malvern Hills) Area.

^m Commitments in the Wider Worcester Area (March 2015) comprised: 1,383 in WWA (Worcester City) Area; 483 in WWA (Wychavon) Area; and 0 in WWA (Malvern Hills) Area.

- F. Worcester's growth beyond its administrative boundary will be delivered on the sites allocated by Policy SWDP 45 and not elsewhere within Malvern Hills District or Wychavon District.**
- G. The delivery and availability of housing land will be monitored annually. Any necessary adjustments will be made in order to deliver the overall south Worcestershire housing target and maintain a rolling 5 year supply of deliverable housing land consistent with the area sub-totals set out in SWDP 3 D Tables 4b(i) and 4b(ii).**

Reasoned Justification

1. The main focus of the SWDP is to provide development that supports the area's economic prosperity. The principal mechanisms to achieve this include making provision for:
 - a. The right amount and type of land for employment uses in locations where business will thrive and be more resilient to the twin challenges of global competition and moving towards a low-carbon economy.
 - b. Sufficient housing provision that enables more of the labour force to be housed locally and provides the right mix to meet the wide range of housing needs.
 - c. Retail development that is more resilient to changing retail behaviour and challenges to the traditional high street, and that supports the vitality and viability of both town centres and town centre uses in south Worcestershire.
 - d. Infrastructure that supports communities housing the labour force and facilitates the movement of labour, goods and materials through alignment of the phasing of development and supporting infrastructure; this will include provision of facilities supporting training and skills.

Housing

Housing Provision Targets

2. The SWDP's locally derived total housing provision targets in SWDP 3 Table 4b(i) are consistent with the recommendations of the Inspector for the SWDP Examination on the objective assessment of housing need (OAHN). Those recommendations identified the scale of the need for housing over the plan period for each of the three districts in South Worcestershire, informed by robust, credible evidence. The Addendum to the Housing Background Paper Update (2015) sets out the evidence providing the detailed justification of the planned scale and distribution of housing development, and the alignment of housing, jobs and the labour force⁽¹⁰⁾.

¹⁰ This includes evidence in the report 'SWDP Objective Assessment of Housing Need' January 2014 (Amion Consulting Ltd / Edge Analytics Ltd) that was tested at the SWDP Examination.

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3. SWDP 3 plans for growth of about 28,400 dwellings in South Worcestershire for the plan period 2006 to 2030. This policy target is in line with the conclusions and recommendations of the Inspector for the SWDP Examination. The rounded South Worcestershire housing provision target of about 28,400 reflects the overall housing need of 28,370 dwellings established through the OAHN.
4. The OAHN is based on the evidence, being the mid point between the average of housing growth forecasts from two suites of jobs-led sensitivity scenarios (SENS2 and SENS3). These use a trend-based demographic growth scenario modified to take account of additional in-migration resulting from forecast employment growth. The scenarios of housing growth identified the scale of housing that the population is likely to need over the plan period. The housing growth forecasts underpinning those scenarios were informed by up to date national household and population projections. Taking full account of a range of up to date and representative job forecasts, the jobs led scenarios forecast population, household and housing growth consistent with delivering sufficient labour force to meet jobs growth, allowing for unemployment and commuting. The housing growth forecasts also took vacancies and second homes into account. The OAHN had regard to information about the local housing market and other market signals.

Sub-Area and Area Housing Provision Targets

5. SWDP 3 sets out spatial Sub Area and Area policies for housing targets and supply. The area sub-totals in Table 4b(i) provide these housing provision targets based on Sub Areas and Areas. Added together the area sub-totals match the 28,400 dwellings target for the plan period. Three Sub Areas are defined in SWDP 2. The matching Sub Area housing supply figures are set out in SWDP3 Table 4d. The Wider Worcester Area is a Sub Area which is sub-divided into the Worcester City Area, and the Malvern Hills and Wychavon Area, where each area has a policy housing target. The latter is further divided for monitoring purposes with separate targets for the area within Malvern Hills and the area within Wychavon.
6. The total OAHN for South Worcestershire is matched by the SWDP3 Table 4b(i) total housing requirement target. Policy SWDP 3 provides targets for Sub Areas and Areas, not total District targets. The Sub Area and Area targets in Table 4b(i) therefore differ from the individual District need figures provided by the OAHN⁽¹¹⁾. Through joint working and co-operation the Plan has redirected unmet need within parts of the plan area to other parts of South Worcestershire. The SWDP is a joint plan that has been positively prepared because it has addressed the following 'larger than local' cross-boundary issues:
 - a. Worcester City's built up area is tightly constrained inside its administrative boundary. There is insufficient available, suitable land in the City to meet all its development needs, especially housing. The target for the City of 6,800 dwellings is based on the forecast supply of housing including future deliverable and developable sites in the City to 2030. At 6,800 the policy requirement target for

11 The Housing Background Paper Addendum update 2015 provides justification and analysis of the Sub Areas' provision and supply.

Wider Worcester Area (Worcester City) is below the need for 9,830 dwellings in Worcester City identified in the OAHN.

- b. Because of natural and environmental constraints, Malvern Hills (Excluding WWA) Sub Area has limited ability to accommodate new development. The target of 5,650 is based on the forecast supply of housing including future deliverable and developable sites to 2030 that have been identified within the Sub Area. At 5,650 dwellings, the policy requirement target for the Sub Area is below the need for 8,590 dwellings in Malvern Hills District according to the OAHN.
7. The SWDP resolves both of these cross-boundary issues through the application of the SWDP 2 policy designation of the Wider Worcester Area (WWA) and the redirection of housing provision to the Sub Areas and Areas. Policy SWDP 3 thus accords with the approach set out in Framework paragraph 179 to deal with situations where development requirements cannot wholly be met within an LPA's own area.
8. The Wider Worcester Area enables Worcester as a sub regional centre to grow beyond the administrative boundary. The scale of supply identified within the City (about 6,950 dwellings) comes from completions, commitments, future small windfalls and allocations. Identification of the latter took account of site availability, the viability of delivering affordable housing and infrastructure, and material considerations such as the Green Belt, flood risk, heritage assets, the network of Green Spaces, and the need for employment land. The share of Worcester's need for housing that is unmet in the City (about 3,050 dwellings) and part of its need for employment land (about 41ha) is redirected to the Worcester urban extensions so that need is met in the WWA on sites (SWDP 45) just outside the administrative boundary, in Malvern Hills and Wychavon Districts.
9. The Malvern Hills (Excluding WWA) Sub Area target has been based on supply consistent with a scale of growth in the Sub Area which reflects the need to respect key natural and environmental assets. This also avoids proposing a level of rural dispersal that would be at odds with the SWDP strategy. Other material considerations were taken into account, such as delivering housing and infrastructure in tandem. Redirection of approximately 2,950 dwellings of Malvern Hills' need was necessary because of limited opportunities for urban growth in Malvern Hills District. This is due to constraints on the development of Malvern resulting from proximity to the Malvern Hills AONB and the need to protect the AONB from adverse environmental impacts of extensive, concentrated urban development nearby. In setting and justifying the housing provision targets, the displaced housing provision from the Sub Area has been redirected in the first instance to that part of WWA situated within Malvern Hills District. Approximately 600 dwellings of that unmet need has been redirected to Wychavon (Excluding WWA) Sub Area, to locations with the strongest existing economic linkages. This approach enables the Malvern Hills housing need to be met within the SWDP area. One consequence of this approach is that by accommodating 34% of provision to meet the objectively-assessed need outside the Sub Area it provides the potential to damp down the historic trend of large-scale net in-migration into the Malvern Hills settlements in the Sub Area which has put pressure on that local housing market.

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10. The SWDP addresses the consequences of accommodating the redirected unmet Worcester need and the displaced Malvern Hills need at the Worcester urban extensions, including
 - a. The need to provide employment opportunities at major urban extensions which accommodate most of the redirected and displaced unmet housing need, in order to reduce the need to travel.
 - b. Priority for investment in a package of transport infrastructure and services to enable residents to access employment in Worcester and in Malvern Hills District.
 - c. A meaningful proportion of the affordable housing in the Worcester South and West urban extensions will meet affordable housing need from Malvern Hills.
 - d. The need to co-ordinate services provided by the county and district councils and other providers to support communities in the WWA.

Unmet Need from Other Areas outside South Worcestershire

11. The housing provision targets in Table 4b(i) relate to South Worcestershire needs. Those needs include substantial net in-migration forecast to 2030, including in-migration to achieve the necessary uplift in labour force in the plan area.
12. The targets do not make further provision for external unmet need over and above the forecast migration taken into account in the population forecasts underpinning the OAHN. It has not been clearly established through any other LPA's Local Plan process that external unmet needs from outside South Worcestershire must be met through additional provision in the SWDP area.

Annual Requirements

13. Table 4b(ii) sets out the annual requirements for each Sub Area for the Plan period. This provides the necessary information to inform five year housing supply calculations for each Plan Sub Area and Area. There is a zero annual requirement for WWA (Malvern Hills) in years 2015/16, 2016/17 and 2017/18, reflecting the fact that the urban extensions will only deliver substantial amounts of new housing in that Area from 2018/19 onwards. The higher rates in Worcester City, Malvern Hills (Ex WWA) Sub Area and Wychavon (Ex WWA) Sub Area compensate for that zero rate in those three years. From 2018/19 there are more modest annual requirement rates in those three Sub Areas over the remaining 12 years, thereby maintaining consistency with the relevant area subtotal in Table 4b(i). Multiplying the relevant rate by the number of years and adding the sums together equates to the overall housing provision for each Sub Area and Area. Reasoned Justification Paragraphs 37 to 40 below provide further information on the use of these annual rates for the housing trajectories in Annex E and for five year housing land supply purposes as part of the Housing Implementation Strategy.

Duty to Co-operate

14. The SWC undertook diligent joint working, to identify their requirements through evidence gathering and during plan preparation. The SHMA 2012 and the subsequent SWDP Objective Assessment of Housing Need, January 2014 (Amion / Edge Analytics) involved joint working with neighbouring authorities within Worcestershire to prepare evidence on housing need. Drawing on the latest evidence, the forecast housing need increased and the related housing provision target rose to 28,400. The SWDP Sub Area and Area targets sum to that total. The SWC also co-operated both with adjoining and beyond (e.g. Birmingham) local planning authorities to consider strategic priorities for the delivery of homes, including cross-boundary housing requirements. The evidence base documented the joint working and other activities demonstrating effective co-operation consistent with the Duty to Co-operate legal requirement and the Framework.

Affordable Housing Need

15. Evidence in the Addendum to the Housing Background Paper 2014 (and 2015 update) indicated that the estimated total need for affordable housing in the plan period is at least 8,140 dwellings (comprising 4,509 in Worcester City, 1,456 in Malvern Hills District and 2,176 in Wychavon District). This takes into account SHMA 2012 evidence on need already met in the plan period and the future need to be met being based on:
 - a. 871 completions to 2011.
 - b. Total commitments for 329 as at April 2011 (updated monitoring).
 - c. A requirement for a further 3,785 affordable dwellings to meet the current backlog of need and net newly arising need 2011 – 2016.
 - d. Additional net newly-arising need for 2016 - 2030 in the order of at least 3,155 dwellings.

Affordable Housing Supply

16. The Addendum to the Housing Background Paper Update 2015 provides the audit trail of the objective assessment of the future sources of supply of affordable housing achievable from development. It indicates that if affordable housing delivery relied only on the uplift of development land value, then total potential supply of additional affordable housing from development in the plan period would be up to approximately 9,000 affordable dwellings. This assessment is based on:
 - a. 871 completions 2006 – 2011, plus 1,573 completions 2011 – 2015, plus total commitments (permitted but either under construction or not yet started) for 2,576 dwellings as at April 2015.
 - b. The potential to deliver up to approximately 3,900 affordable dwellings in association with future market housing supply, from which affordable housing can be sought.

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17. The forecast of up to about 9,000 dwellings total potential supply of additional affordable housing in South Worcestershire was calculated based on policies in the plan, notably:
 - a. Policy SWDP 3 Table 4d where the residue of overall housing provision not committed was approximately 12,600 dwellings, including delivery on sites allocated in policies SWDP 43 to 59 which are not yet permitted and forecast future supply from small, non-garden land windfalls.
 - b. Policy SWDP 15's sliding scale of affordable housing to be sought from sites permitted for dwellings in Use Class C3.
 - c. Use Class C2 housing (residential care homes, plus the high-care end of extra-care housing) and 'sui generis' non-self-contained student accommodation are not subject to SWDP 15 and so will not contribute to the supply of affordable dwellings.
 - d. Policy SWDP 15's reference to viability. The uplift in land values achieved through Use Class C3 (market housing provision) is a key opportunity in this plan period to meet much of the residue of unmet affordable housing need, but viability issues constrain the ability of development to meet all of that need, as indicated in the Affordable Housing Economic Viability Study and the Overall Plan Viability Study.



18. The supply from commitments at April 2015 already takes account of contemporaneous viability issues and evidence of local need. The consequence of the Government's changes to regulations allowing developers to renegotiate agreed affordable housing contributions, existing or future, has not been included in the supply forecast as it would

prejudge the negotiations in advance of developers' site and time specific evidence. The joint allocations policy approach within Worcestershire under Home Choice Plus provides a complementary mechanism which assists in maximising the potential to match affordable housing need with the delivery of affordable housing within South Worcestershire.

19. Table 4b(i) sets out the area targets for affordable and market housing. The Housing Background Paper Addendum Update 2015 details the evidence underpinning the affordable housing targets. The plan area target of about 8,800 affordable dwellings could accommodate the forecast total level of potential need, and is a realistic target for delivering affordable housing via the uplift in development value. The potential shortfall forecast in the Wider Worcester Area in the Addendum Update 2015 is expected to be reduced through other, non-development sources of supply as well as through the joint allocations policy approach available, for example, under Home Choice Plus.
20. The potential to add to the affordable housing supply to 2030 includes:
 - a. Changes in tenure within the existing stock, or from sources external to south Worcestershire, which will not require the construction of additional dwellings, including:
 - i. Change in stock in Worcester from market housing to private sector rent that is affordable (the potential for delivering 285 units through the Local Lettings Agency during the plan period is additional to the combined forecast supply of about 3,790 affordable housing units, on which the combined 3,750 target in SWDP 3 for the WWA are based).
 - ii. Registered Social Landlords (RSLs) purchasing existing satisfactory properties and acquiring properties via Mortgage Rescue.
 - b. Affordable housing expected to be delivered through means that are allowed for by policy but which were not fully quantified, so were not counted towards the policy housing provision total in SWDP 3 Table 4d. These would be in addition to both the 28,400 total housing supply and to the forecast of up to about 9,000 affordable housing supply, and would come from:
 - i. Rural exceptions.
 - ii. Neighbourhood Plans and Community Right to Build Orders.
 - c. Other 100% affordable schemes. If built, these would raise the total supply of affordable housing counted towards SWDP 3. The products listed below are relatively new; lack of national or local evidence about actual delivery precludes identifying a specific allowance in Table 4b(i) provision at this time. The following would be additional to the supply forecast in Table 4d:
 - i. RSLs building more "affordable rent" housing without grant funding by raising money on the financial market and using funding generated by affordable rents.

- ii. Local Authority New Build.
- iii. 100% grant funding / affordable housing delivered through a range of mechanisms currently employed; e.g. the Affordable Homes Programme (replacing the National Affordable Housing Programme), Kickstart (HomeBuy Direct and NAHP).

Affordable Housing Requirement Targets

21. Table 4b(i) sets out the policy for the scale of affordable housing requirement in the Plan Area, Sub Areas and Areas. These policy targets are based on the scale of potential supply from development (rounded down) to 2030 in those areas. The delivery of those not yet permitted depends on the outcome of negotiations through the development management process. The Housing Background Paper Addendum provides evidence about the ability of forecast supply in Malvern Hills (ExWWA) Sub Area and in Wychavon (ExWWA) Sub Area to accommodate the need for affordable housing arising from Malvern Hills and Wychavon Districts respectively. The need of Worcester is to be met in the WWA in the city and at the Worcester urban extensions but may be accommodated elsewhere in the plan area through the joint allocations policy.
22. The market housing provision total in SWDP 3 was calculated by subtracting only the affordable housing target of 8,800 affordable dwellings to be achieved through development value uplift from the 28,400 total, without further deduction for 100% affordable housing schemes. Likewise, the market housing targets in the Sub Areas and Areas in Table 4b(i) were calculated by subtracting the affordable housing target from the overall housing target for each area.
23. Monitoring will indicate whether higher or lower levels of affordable housing are delivered. The SWDP Review is the appropriate mechanism to consider whether to amend the housing provision totals and / or the subtotals for market housing and / or affordable housing in the light of evidence about affordable housing delivery.

Delivering Development

24. The Housing Implementation Strategy is set out in reasoned justification paragraphs 24 to 47 and is developed from Stronger Community Objectives 1, 2, 3 and policies on housing supply, particularly:
 - SWDP 3 (housing requirement and delivery).
 - SWDP 43 - 59 (site allocations).
 - SWDP 14 (market housing mix).
 - SWDP 15 (affordable housing needs).
25. Other housing policies in the SWDP are:
 - SWDP 16 (rural exceptions).

- SWDP 18 (replacement dwellings).
 - SWDP 19 (rural worker dwellings).
 - SWDP 20 (housing to meet the needs of older people).
 - SWDP 42 (residential moorings).
26. Gypsy, traveller and travelling show-people's accommodation needs are additional to the needs identified in SWDP 3. Their needs are addressed through other policies, notably through SWDP 17 – Travellers and Travelling Showpeople Accommodation.

Sources and Components of Supply

27. The policies in the SWDP enable the implementation strategy to be underpinned by a balance in the components of housing supply. 30% of the provision requirement has been completed and there are commitments for a further 27% (permitted). 7% is met from forecast small non-garden windfalls. The largest component is from site allocations (not built or committed), which contribute 37% to housing provision (25% is in WWA, 7% and 6% respectively in the Malvern Hills (Ex-WWA) and Wychavon (Ex-WWA) Sub Areas). This mix of sources provides a healthy balance between certainty and flexibility. Delivery of housing is not over-reliant on any one category.
28. The Strategic Housing Land Availability Assessment (SHLAA) is updated annually and has informed the assessment and allocation of sites. The Housing Background Paper Addendum Update 2015 and the Development Strategy and Strategic Site Allocations Background Paper (May 2013) provide more detail on the use of this evidence to develop policy.
29. As well as dwellings completed since 1 April 2006, those dwellings under construction or with planning permission but not yet started (the latter discounted by 5% for sites not allocated in SWDP) are part of the supply counted towards housing provision. In addition, new homes will be realised through:
- a. The development of allocation sites identified within SWDP policies SWDP 43 - 59 (site allocations).
 - b. The development of small windfall sites and the change of use of buildings where land and premises are shown to be surplus to the requirements of other land uses.
 - c. The provision of new homes through conversions.
30. Evidence supports the forecast supply of small, non-garden windfalls post-March 2014, consistent with the Framework. Future large windfalls are not forecast and no allowance is made for future large windfalls in supply Table 4d. However, if delivered they will be reported through the monitoring of development.
31. The Framework makes clear that local planning authorities should identify and bring back into residential use empty housing and buildings, in line with local housing and empty homes strategies. No specific allowance for net additional housing supply from bringing empty homes back into use is made for this in SWDP 3. Any future empty homes

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strategy and evidence relating to the means to support delivery may enable a future SWDP review to take this potential supply source into account in line with national guidance.

32. Affordable housing delivered through Neighbourhood Plans and Community Right to Build, and / or funded by financial contributions from small sites, is an unquantifiable source of supply that is additional to the forecast of supply identified in Table 4d. This also applies to rural exception sites. However, if delivered they will be reported through the monitoring of development.
33. Over time other sites may be identified in later Strategic Housing Land Availability Assessment updates. Development of these sites would add to housing supply. However, at this time they are unknown and so are not included in the supply figures set out in Table 4d.

Spatial Distribution of Supply

34. **Wider Worcester Area** - In order to implement SWDP 3, an urban concentration strategy for the long-term growth of Worcester has been developed. The urban capacity for the city comprises commitments and completions and housing allocations within the administrative boundary of the City plus an allowance for small windfalls. Development within the city boundary can achieve the target of about 6,800 homes in the plan period. Urban concentration will also be achieved through the development of urban extensions immediately adjoining the city boundary in Malvern Hills and Wychavon. Urban extensions are necessary because Worcester cannot meet all its long-term employment and housing needs within its administrative boundary. The scale of urban extension allocations for the Wider Worcester Area outside the City (about 5,400 excluding dwellings forecast for completion after March 2030) combined with forecast supply of about 6,960 within the City, is sufficient to address the target of 12,150 for the Wider Worcester Area. The scale of housing in the Wider Worcester Area supports delivery of strategic objectives in the SWDP. Notably, by delivering sufficient new homes to support economic growth, regeneration, allocating development in locations with good access to local services, maximising transport choice and maximising opportunities to deliver affordable housing. The urban extensions at Worcester provide the capacity to address the unmet housing need of Worcester City and all but about 600 dwellings of the provision displaced from Malvern Hills, which is identified in reasoned justification paragraphs 8 and 9 above.
35. If future monitoring indicates a significant change in circumstances then this would require a review of how the objective of meeting Worcester's needs and unmet needs from Malvern Hills in the Wider Worcester Area would be implemented in detail. This would relate to circumstances impacting on Worcester or Malvern Hills needs or in delivering housing supply to meet needs.
36. **Wychavon and Malvern Hills Districts** - To meet the development needs of Wychavon and Malvern Hills districts, the majority of development is to be focused at the towns of Droitwich Spa, Evesham, Malvern and Pershore. The SHLAA process has identified a number of potential urban capacity sites within these towns. However, brownfield urban capacity is relatively limited; to meet the proposed levels of development, a number of urban extensions are necessary in Droitwich Spa, Evesham, Pershore and Malvern. The remaining development will be accommodated through smaller site allocations within

the development boundaries of the towns as set out in the urban site allocation policies. Smaller allocations in Category 1, 2 and 3 villages provide for local needs in the rural areas, together with completions, commitments and overall windfall forecasts.

Maintaining a Five-Year Housing Land Supply

37. The expected rate of housing delivery over the plan period is illustrated through a “housing trajectory” (Annex E). There is a trajectory for South Worcestershire and for each Area set out in Table 4b(ii), which illustrates the housing development that has been built since 2006 and the levels of development currently anticipated over the rest of the plan period.
38. The forecast of housing supply is analysed in the housing trajectories in Annex E. This analysis uses a plan - monitor - manage approach to consider whether the plan’s policies can maintain supply. The SWDP analysis is based on the annual provision rates set out in SWDP 3 Table 4b(i); the “monitor” compares past completions against the relevant annual rates; and “manage” considers what has been delivered against the residue of what is left to be delivered. The trajectories demonstrate the ‘front-loading’ of development in the SWDP, without being over-optimistic about delivery rates.
39. The rolling five year housing land supply assessments for all nine trajectories were set out in the evidence accompanying the Housing Background Paper Addendum Update 2015. This demonstrated that there was more than five years of supply in South Worcestershire and all Sub Areas and Areas from April 2015 onwards⁽¹²⁾. Five-year housing land supply calculations will be produced annually for each of the Sub Areas and Areas set out in SWDP 3 D Tables 4b(i) and 4b(ii) based on the relevant annual requirement rates set out in that table. Targets are part of the framework of monitoring indicators. Responsibility for undertaking the 5 year land supply calculations is as follows:

Authority	Table 4b(ii) Area
Worcester City Council	<ul style="list-style-type: none"> ● Worcester City (the administrative area)
Malvern Hills District Council	<ul style="list-style-type: none"> ● Malvern Hills (Ex WWA) Sub Area ● Wider Worcester Area (Malvern Hills) Area
Wychavon District Council	<ul style="list-style-type: none"> ● Wychavon (Ex WWA) Sub Area ● Wider Worcester Area (Wychavon) Area
South Worcestershire Councils (Joint Monitoring)	<ul style="list-style-type: none"> ● South Worcestershire – aggregated

12 From April 2018 in the Wider Worcester Area (Malvern Hills) Area when the urban extensions deliver substantial amounts of new housing in that Area.

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Authority	Table 4b(ii) Area
	<ul style="list-style-type: none"> ● South Worcestershire (annualised – for monitoring purposes only) ● The Wider Worcester Area – aggregated ● The Wider Worcester Area (Malvern Hills and Wychavon) Area – aggregated

40. “Separate and non-transferable housing provision” in the policy means that, subject to the provisions of the Framework paragraph 14, any shortfall identified in the five-year housing land supply against any Area sub total will not be met elsewhere in another Sub Area or Area identified in SWDP 3.
41. Detailed evidence is set out in the Housing Background Paper Addendum Update 2015. That evidence demonstrates how the plan can maintain a ‘rolling’ five-year supply from April 2015 with a buffer (either 5% or 20% as appropriate in line with the Framework) brought forward from the end of the plan period, taking into account the site allocations and other supply components in SWDP 3 Table 4d. It also shows that the housing supply position had improved through completions, commitments and additional capacity in site allocations, particularly since 2012.
42. The evidence demonstrates delivery of the overall Plan Area, Sub Area and Area housing targets to 2030. It also demonstrates the maintenance of the rolling 5 year supply up to March 2025. The forward looking 5 year supply position declines at the end of the plan period but this is because the Framework does not require the SWDP to provide a land bank at the end of 2030⁽¹³⁾. The plan review is the correct mechanism for identifying provision targets and supply after 2030.
43. The housing trajectories will be monitored and updated on an annual basis through the Authority Monitoring Reports and also through roll-forward and further reviews of the Strategic Housing Land Availability Assessment (SHLAA). It will assess the 5 year land supply position, including whether there has been past shortfall or surplus in delivery and determine the level of buffer to apply for Framework paragraph 47 purposes. Annual monitoring will include monitoring applicants’ evidence which they use to demonstrate the extent to which their proposed housing development will contribute to the five year deliverable housing land supply. Over time this can be compared to delivery achieved on those developments.

Flexibility

44. The scale of potential housing supply currently forecast in Table 4d is over 800 dwellings more than the policy requirement. This currently indicates a good level of flexibility, especially as it does not include any allowance for future large windfalls. As expressed,

¹³ The lack of annual rate targets and supply post 2030 preclude robust analysis of the future rolling 5 year housing supply position from about 2026.

SWDP 3 does not preclude additional windfalls, small or large, from contributing to housing supply, subject to the SWDP's policies.

Contingency Planning

45. House building rates were higher in the period 1996 – 2006. Subsequently, however, rates of housing delivery in the SWDP were lower, particularly in 2008 - 2011, reflecting the on-going impacts of economic recession and the housing market downturn. Completions however improved in 2011 – 2015, including 866 and 864 dwellings completed in Wychavon in 2013-14 and 2014-15 respectively, which was more than three times the average annual completions in the preceding seven years. It is prudent to ensure the partner authorities are in a position to respond quickly to changing circumstances. Positive planning measures may be required to help bring forward sites for development earlier in the plan period to ensure a five-year supply of sites can be sustained.

Risk Assessment of Obstacles and Constraints for Housing Delivery

46. The SHLAA already provides an assessment of the risk associated with potential constraints to site delivery. Identified risks (for example policy constraints, infrastructure requirements, ownership constraints and / or marketing constraints) are reflected in the potential phasing of development in relation to site delivery. In accordance with good practice guidance, sites are evaluated in terms of suitability, availability and achievability. Sites that are severely constrained and do not offer reasonable development potential do not form part of the overall housing land supply. The SHLAA is a dynamic process and will, through regular monitoring, be reviewed to ensure the most up-to-date and relevant site information is included for each identified site and this is carried through into an updated housing trajectory. The adoption of the SWDP will enable its housing requirement targets to be included in the analysis of the five-year housing land supply for Framework paragraphs 47 and 49 purposes, consistent with National Planning Practice Guidance and case-law.

Engaging with House Builders and Stakeholders

47. House builders, developers and other key stakeholders and interested parties were involved in the development of the SWDP at all preparation stages. Developers, landowners and their agents are actively encouraged to enter into early dialogue with the partner authorities through pre-application discussions on potential housing schemes.

Approach to Regular Monitoring and Review

48. The SWDP includes policy on the monitoring of development and a commitment to a partial or whole Plan review to commence if the Plan is significantly failing to meet its objectives or if the policy context requires a review. Housing delivery will be monitored annually through a framework of monitoring indicators and an annual update and periodic review of the SHLAA. Evidence of a significant departure from the anticipated trajectory or policy would be reported through monitoring and could trigger an earlier review. The SWC will consider what actions to take should the AMR be unable to demonstrate that

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a Sub Area or Area has a continuous five-year supply (plus appropriate buffer) of developable and deliverable housing land. Governance relating to implementation is considered in relation to SWDP 62.

Circumstances in which Specific Management Actions may be Taken

49. Policy 62 sets out the approach to corrective action if there is evidence of a departure from planned growth. In relation to housing, the 2015 - based Housing Trajectories, set out in Annex E, reflect contemporary information from developers and the building industry about anticipated delivery. Whilst the housing trajectories indicate that completions recovered after 2012/13 and will increase substantially after the local plan is adopted, it is considered appropriate to identify a number of specific management actions to help bring sites forward for development in line with, or sooner than the arc currently indicated in the trajectory.
50. A number of actions can potentially encourage sites to be brought forward. For example, these could include active engagement in:
 - a. Working with house builders / landowners, to identify the main causes of supply problems and where appropriate to act on feedback received.
 - b. Production of detailed Planning Briefs and / or area-based Supplementary Planning Documents, to increase certainty for developers on the progression of sites through the planning process.
 - c. Regular meetings with stakeholders about the major urban extensions.
 - d. As part of the preparation of Planning Briefs, indicate different development permutations to accommodate different viability scenarios.
 - e. Pre-application discussions with developers, landowners and their agents to increase certainty in the development management process.
 - f. Sensitive application of policy where issues around scheme viability have been clearly demonstrated.
 - g. Prioritise public sector land.
 - h. Seek public sector intervention and potential funding streams through the Homes and Communities Agency.

Employment

Establishing the Conditions for Creating Jobs

51. Whilst forecasts of economic growth are not as optimistic as those made prior to the recession, the SWDP has made reasonable and appropriate allowance for economic recovery, including housing market recovery. This enables the area to be ready to take advantage of improvements in the economy when they do occur. The economic vision

and strategy set out in the SWDP provides the context for making provision for employment land development. The distribution of growth is guided by the spatial strategy.



52. The scale of provision in SWDP 3 (Table 4a) is consistent with Framework policy and principles on sustainable development, including the need for the SWDP to drive and support sustainable economic development. The provision requirements are targets, designed to enable the partner authorities to take a positive approach to sustainable new development. The scale of provision enables the SWDP to improve choice and provide essential flexibility, making it ready to respond to improved economic circumstances, consistent with the strategy being economic prosperity-led in order to create the right conditions to generate jobs.
53. The commitment to commence a review of the SWDP in accordance with the conditions set out in Policy SWDP 62 will enable the SWC to respond further to changing circumstances as needed.
54. A comprehensive portfolio of employment land is vital in securing economic prosperity. The forecast supply in Table 4d encompasses completions 2006 to 2011, commitments at 2011 and future supply from site allocations. It also includes the forecast net land equivalent due to intensification at the four Major Developed Sites listed in SWDP 2⁽¹⁴⁾. Future employment land windfalls are not forecast, and no allowance is made for future windfalls in supply Table 4d. However, if delivered they will be reported through the monitoring of development. New employment provision (land and commercial premises) will be located primarily within or adjacent to the main urban areas. In order to meet these needs, this includes the additional job opportunities provided at the urban

14 Comprising 1 hectare at The Potter Group – Site 7, and 2 hectares at the each of the other three Major Developed Sites.

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extensions, which will help to reduce commuting distances and ensure new workplaces are accessible by a range of travel modes.

55. Employment development at Worcester Technology Park's south and north phases will help to maximise the potential job generation provided by this site, which represents a significant sub-regional employment site within the area. Site-specific information is set out under SWDP45/6. For the purposes of SWDP 3, the area allocated for employment and the area with planning permission for employment at the Worcester Technology Park are within the Wider Worcester Area Sub Area and are counted towards the WWA Sub Area provision target of 120 hectares⁽¹⁵⁾ in SWDP3 B Table 4a.
56. The evidence in the Economic Prosperity and Housing Background Papers demonstrates the approach adopted to ensuring the alignment of employment land and housing growth in a plan that proposes an economic prosperity-led planning strategy.
57. The Employment Land Review (Roger Tym, 2011) promoted an approach based on protecting the existing committed supply of readily available sites and encouraging the early provision of the employment land elements of the urban extensions. In the event of the larger urban extension sites not being made available until later in the plan period, there may be a shortfall of employment land in the middle of the plan period. However, the approach to employment land allocations in the Framework allows allocations to be reconsidered if there is evidence that they are unlikely to be delivered. The Framework focuses on the need for flexibility in employment land policies. Annual monitoring will report on the achievement of site delivery and other economic indicators.

Retail

58. Retailing is part of the wider economy of south Worcestershire and is a contributor to local economic prosperity. Retail sales and related consumer expenditure in the local area are influenced by population and income, the growth in households, consumer confidence, the local retail offer, competition from other destinations and the ability of local centres to retain their market share. SWDP 3 supports the economic strategy's focus on:
 - Sustaining and regenerating south Worcestershire's city and town centres as priority areas for regeneration.
 - Retaining retail spending in south Worcestershire and increasing leisure and tourism spending / income.
59. The scale and distribution of retail floorspace provision in SWDP 3 is consistent with the evidence, notably the DPDS Retail Study Updates (December 2010 and September 2013). These took account of updated retail commitments, sales density, population and expenditure evidence as well as evidence about special forms of trading, so that the forecast growth of retail expenditure per head allows for internet sales. The evidence in the Retail Study update 2013 underpins the uplift in the requirement for comparison retail floorspace, including 30,700 sq.m. for Wider Worcester Area and 6,000 sq.m. in

15 The footnote to Policy SWDP 2 defines the 'development boundary' for Worcester with respect to the Worcester Technology Park.

Malvern town. The evidence does not support the need to make additional provision for convenience floorspace, except for a small amount in Malvern Hills.

60. The policies on retail development, including site allocations, support the spatial strategy including the sub-regional role of Worcester and the roles and functions of the other centres identified in SWDP 9. Concentrating the sale of comparison goods in the centres has advantages. This will include bulky goods, if the centres can accommodate them. These advantages include:
 - a. Greater convenience for shoppers able to buy a range of goods on one multipurpose trip as well as undertaking related activities.
 - b. Support for specialist shops and tourist facilities through joint trips.
 - c. A service for residents, workers and those on low incomes without access to a car.
 - d. An opportunity to enhance local community facilities.
61. If retail development is located in town centres and Worcester city centre, any retail development that exceeds the policy figures, but which is consistent with the role of the centres and benefits the vitality and viability of the centre, would not undermine the spatial strategy. Town centre schemes need to be of sufficient size to achieve viability. Qualitative improvement in the retail offer and environment of centres also helps to make them attractive to residents and visitors and will help them retain their market share.
62. The retail evidence concluded that it is more likely that there will be pressure for retail investment in Worcester than elsewhere in the SWDP area as the economy recovers. SWDP 44 proposes site allocations in Worcester city centre that could accommodate substantially in excess of the floorspace requirement indicated by the retail study. Such growth would be consistent with the city centre's sub-regional role and would also be located in a highly sustainable location for retail development, one accessible by means of sustainable transport. The strength of the city centre lies in its ability to support a wide range of retail uses, from High Street names to small independent shops and markets that help to enhance its character and vibrancy. Being located at the hub of the public transport system, the city centre also provides a sustainable location for other activities such as work, culture, tourism, leisure and relaxation. SWDP 44 provides sufficient flexibility to enable the city centre to be in a position to benefit from economic recovery, respond to landowner / developer ambitions and accommodate unforeseen opportunities in line with Framework requirements.
63. By supporting the city centre and other town centres, planning policy can help to counter the previous trend towards dispersal, car dependence and inequality of access. However, there will be pressures for out-of-centre development; SWDP 10 sets out policy on retail development outside main centres.
64. SWDP 3 Table 4d identifies additional retail floorspace supply that relates to meeting local need in the Worcester South Urban Extension (SWDP45/1) and Worcester West Urban Extension (SWDP45/2). As well as reducing the need to travel to other destinations in Worcester, this should reduce the generation of additional traffic flows across key junctions on the A4440 north of the urban extension.