South Worcestershire Development Plan
Housing Background Paper (Provision and Supply)
3rd July 2012

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1. **Introduction (what is the purpose of this document and which policies does it support?)**

1.1. This Background Paper is intended to explain the approach taken in the South Worcestershire Development Plan (SWDP)

   a) To boost significantly the supply of housing

   b) To meet the full objectively assessed needs for housing and affordable housing in the housing market area, subject to the caveats set out in the National Planning Policy Framework

   c) To work collaboratively with others to meet development requirements that cannot be wholly met within their own areas.

1.2. The South Worcestershire Development Plan\(^1\)\(^2\) is the Local Plan for the future development of the Plan area, drawn up by the local planning authorities (LPAs) for Malvern Hills District, Worcester City and Wychavon District, in consultation with the community. It establishes the strategic priorities for the plan area, determining the scale of growth to plan for in South Worcestershire to 2030. This includes strategic policies to deliver homes needed in the area. Through SWDP site allocation policies, the plan identifies the new housing allocations, including strategic urban extensions, to deliver a significant boost to the supply of housing. These sites are to be shown on the submission policy maps\(^3\).

1.3. This technical paper is part of the Local Plan evidence base. It aims to help readers understand the South Worcestershire Development Plan as it progresses towards submission, including the stage of the Schedule of Changes (due for consultation in Aug/Sept 2012).

1.4. The paper provides the clear audit trail of the development of strategic housing provision and housing supply policy. It explains how the Councils reached the strategy by considering the guidance to be followed, local evidence to be collected, assessment of all reasonable options, and the sustainability appraisal of the policy. It also demonstrates how adequate, up-to-date and relevant evidence informed Policy SWDP 2 (now incorporating housing provision which was previously set out in Table 2) and how this was used to justify the appropriate levels of housing growth in Malvern Hills, Worcester and Wychavon. The paper also makes clear how the policy was informed by extensive, early and meaningful engagement and collaboration with neighbourhoods, local organisations and businesses.

1.5. It is accompanied and informed by the South Worcestershire Development Plan Demographic Background Paper February 2012 plus an addendum

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\(^1\) References use the SWDP Preferred Option policy numbers (the policy numbering will be updated using the Draft Submission Plan numbers when that document is produced)

\(^2\) The South Worcestershire Development Plan is a Development Plan Document

\(^3\) The Local Planning regulations 2012 replaced the requirement for a ‘Proposals Map’ with a ‘Policy Map’
which analyses the 2010 based ONS Population projections for South Worcestershire. The information within that paper and addendum largely supersedes analysis in the previously published Background Paper No. 3: Demographics Summary Paper (June 2011).

1.6. The Housing Background Paper 2012 is a live document. It will be updated with further evidence such as the 2011 Census results or new national demographic projections, in time to inform the submission to the Secretary of State version of the South Worcestershire Development Plan.

1.7. The South Worcestershire Development Plan policies to which this paper refers that are part of the Housing Implementation Strategy, are:

- SWDP2 –relating to Housing Provision and Delivery
- Policies relating to Housing Site allocations - as supply sources
- SWDP Development Management Policies relating to housing.

1.8. The South Worcestershire Development Plan has evolved over a period of six years. The planning, demographic and economic context which applies has changed substantially since the process of plan preparation began in 2006. This paper sets out that context. Further evidence about the economy is drawn together in the Economic Prosperity Background Paper.

1.9. The paper draws together evidence on demography, housing provision and supply, and economic prosperity (Appendix 1 is a list of data sources). It includes:

- The background to housing supply and demand in South Worcestershire
- The policy context – housing and planning
- Some key facts about demographics and housing
- The evidence base for the housing provision and supply policies
- How the housing provision and supply policies will help to deliver the vision and objectives of the SWDP
- Key issues raised from consultations and planning policy response.

1.10. It presents potential scenarios for an increase in the supply of housing in South Worcestershire from evidence in the latest Worcestershire Strategic Housing Market Assessment 2012. Those scenarios, together with other material considerations informed the Councils’ decisions on the scale of housing provision to be made to 2030.

1.11. Those decisions also addressed cross-boundary issues, and in particular unmet housing need from within the plan area and from without, in accordance both with the Duty to Cooperate and to meet the test of soundness for the plan to be positively prepared.

1.12. This paper provides the detail behind the Plan’s strategy for housing, explaining how the level of housing growth to be provided for the SWDP and its strategic distribution within the plan area has been derived, particularly in the light of changes to population, households, national planning policy, legislation, and economic circumstances.
2. **The Housing Implementation Strategy for South Worcestershire – provision and supply**

2.1. This paper focuses on establishing and justifying:

1. the housing provision requirement targets set out in the Plan ie how much housing growth to plan for between 2006 and 2030; and

2. the scale and sources of housing supply ie how to meet those targets.

2.2. The emphasis is on how the plan boosts and maintains housing supply in order to be consistent with national policy set out in the National Planning Policy Framework 2012 (the ‘Framework’) paragraph 47:

“To boost significantly the supply of housing, local planning authorities should:

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;

- identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;

- identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15;

- for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target;

2.3. This Paper goes on to show how the plan meets objectively assessed needs, with sufficient flexibility to adapt to rapid change, to be consistent with Framework para 14, subject to

- any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or--

- specific policies in this Framework indicate development should be restricted.
2.4. It also shows how plan has been prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development, thereby meeting the test of soundness for the plan to be positively prepared in line with Framework para 182.

2.5. The South Worcestershire Development Plan sets out the Housing Implementation Strategy for the full range of housing. It includes describing how the South Worcestershire Local Planning Authorities will maintain delivery of a five-year supply of housing land to meet the housing targets for the plan’s Sub Areas. This enables the plan to be consistent with the National Planning Policy Framework (‘The Framework’) and thereby meet one of the Framework’s tests of soundness i.e. (consistency with national policy) so that the Plan can be found ‘sound’.

2.6. The Housing Implementation Strategy comprises the following:

1. **SWDP plan objectives**

   **Stronger Communities**
   
   1. To deliver sufficient new homes needed by local communities and which will help support economic growth.
   
   2. To provide a balanced mix of house tenures and types, including extra care provision, to satisfy the full range of housing needs and help create active / inclusive / sustainable communities.
   
   3. To maximise opportunities to deliver affordable housing.
   
   4. To allocate most development in locations where there is good access to local services and where transport choice is maximised.
   
   5. Providing a basis for Neighbourhood Plans.

2. **SWDP plan principles**

3. **Policy SWDP 2 – Housing Provision and Supply**

4. **Housing and Mixed Use Site Allocations (including Urban Extensions and Opportunity Zones**

   SWDP 6 Worcester City Allocations
   SWDP 7 Worcester City Centre
   SWDP 8 Worcester Urban Extensions
   SWDP 9 Droitwich Spa Allocations
   SWDP 10 Copcut Lane *(now permitted so allocation deleted)*
   SWDP 11 Evesham Sites
   SWDP 12 Cheltenham Road
   SWDP 13 Malvern Sites
   SWDP 14 QinetiQ
   SWDP 17 Newland
5. Development Management policies on housing

SWDP 30 Housing Mix
SWDP 31 Meeting Affordable Housing Needs
SWDP 32 Rural Exception Sites
SWDP 34 Dwellings for Rural Workers
SWDP 34 Replacement Dwellings in the Open Countryside and Reuse of Agricultural Buildings
SWDP New Policy Housing for Elderly People

Homes and Housing

2.7. Policy SWDP 2 relates to dwelling houses under Use Class C3 of Town and Country Planning (Use Classes) Order 1987 as amended in 2005. Dwellings are permanent structures that are used as homes. This includes homes that are the principal place of residence, and also second homes. Where permitted as C3 dwelling houses, the use of housing as a 'second home' cannot be restricted under current planning legislation. Development of ‘park homes’ that are not holiday accommodation are counted in the supply analysis as C3 housing, and so count towards meeting the housing provision for the area.

2.8. The following types of accommodation are not classified as a ‘dwelling house’ under Use Class C3. They are therefore not part of housing provision and supply under Policy SWDP 2 but they can add to accommodation in South Worcestershire and/or help to reduce pressure on the existing dwelling stock:

- Use Class C2 – residential institutions – defined under the Town and Country Planning (Use Classes) Order 1987 (as amended), as “Use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses))” eg residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres
- Student accommodation (not self-contained)— sui generis use
- Residential moorings (See Policy SWDP 41) – sui generis use
- Housing (including mobile homes) permitted for ‘holiday’ development (whether or not there are conditions restricting the length of occupation within a specified time period).

2.9. Houses in Multiple Occupation come under Use Class C4 and so are also outside Policy SWDP 2 provision. Development of HMOs through change of use from C3 to C4 requires planning permission. A concentration of HMOs in a locality can have an impact if it results in a significant reduction of family housing in a neighbourhood. Change of use from C4 to C3 use
does not require planning permission, and so cannot be tracked through annual monitoring of consents so C3 gains may be under estimated. The larger HMOs require licences, but the smaller ones do not.

2.10. Losses of C3 dwellings to these other types of accommodation are monitored, where permission is required for a change of use, and recorded for the annual housing supply calculations.

2.11. Accommodation provision for Gypsies, Travellers and Travelling Showpeople is not subject to SWDP 2 housing policy but addressed in Policy SWDP 33 and permissions for this type of development counts towards the separate local targets for pitch/plot provision.
3. **Background policy context (National, Regional, County and District)**

3.1. The most relevant policies and strategies taken into account when preparing Policy SWDP 2 are the National Planning Policy Framework, the Regional Spatial Strategy (whilst it has not been revoked), the Worcestershire Housing Strategy, the Worcestershire Sustainable Community Strategy, and local strategies on housing such as the Empty Homes Strategy, the Extra Care Strategy and the Strategy for Economic Prosperity.

3.2. Preparation of the SWDP Development Plan Document began initially as a Joint Core Strategy, and commenced in the context of the following legislation and guidance:

1) 2004 Planning and Compulsory Purchase Act – which established that the approved Regional Spatial Strategy is part of the wider ‘development plan’ for South Worcestershire. The approved RSS remains part of the development plan until it is replaced or revoked;


3) Planning Policy Statement Note 12 : Local Development Frameworks;

4) Planning Policy Statement 12 Local Spatial Planning - which made clear that for example the Core Strategy vision should be in general conformity with the RSS;

5) The existing West Midlands Regional Planning Guidance 2004 (- which has the status of a Regional Spatial Strategy).

6) the emerging West Midland Regional Spatial Strategy (RSS). The Phase 2 partial review of the RSS reached examination but no further. The RSS submitted for examination indicated that 24,500 homes should be built in South Worcestershire from 2006 to 2026, equivalent to an annual average completion rate of 1225 per year. The Panel recommended that 25,500 homes should be built in South Worcestershire from 2006 to 2026, equivalent to an average annual completion rate of 1,275 per year.

3.3. The RSS Panel’s recommendations were not considered by the Secretary of State and there was no opportunity for the South Worcestershire Councils to object to the recommended levels of growth. At a practical level there is no prospect at this time of the Phase 2 Partial Review being progressed any further during the period in which the SWDP is being prepared.
A. National Planning Policy Framework

3.4. The Government published the Framework in March 2012. This provides the key national guidance with which the SWDP policies, including those for the Housing Implementation Strategy, need to be consistent if the plan is to be found sound. It constitutes guidance for drawing up plans and is of direct relevance for Policy SWDP 2.

3.5. The Framework supersedes the previous national policy guidance which operated from the start of the SWDP plan making process (the South Worcestershire Joint Core Strategy) through to and including the SWDP Preferred Options Document and consultation stage. Representations made on the latter in the light of now-superseded national policy and the draft NPPF, have been considered by the Councils in the context of the published Framework. That consideration is set out in the Schedule of Issues and Recommended Responses to the SWDP Preferred Options plan.

3.6. Appendix 2 lists the key parts of the Framework relevant to the preparation of policy SWDP 2. In particular those relating to: the presumption in favour of sustainable development; core principles; and Section 6. Delivering a wide choice of high quality homes (paras 47-52).

3.7. This Background Paper applies and interprets the Framework guidance to justify Policy SWDP 2. Appendix 3 is a Compatibility Table, summarising the compatibility of amended Policy SWDP 2 (listed in Appendix 4) with the Framework and with the evidence base.

B. Regional Planning Policy

Status of the Regional Spatial Strategy

3.8. The RSS for the West Midlands was published originally in June 2004 (at the time as “Regional Planning Guidance”). It subsequently underwent a partial revision which was carried out in three phases.

- The RSS Phase One Revision developed a sub-regional strategy for the Black Country which was completed in January 2008.
- The RSS Phase Two Revision dealt with a range of topics, including housing and employment land provision, town and city centres as well as office and retail development. The RSS Phase Two Revision Draft (the “Preferred Option”) was submitted by WMRA to the Secretary of State in December 2007 and was subject to testing at an Examination in Public (EiP) in spring 2009. The independent EiP Panel submitted their report with conclusions and recommendations to the Secretary of State in September 2009.
- The RSS Phase Three Revision looked at a number of issues, including rural services, provision for gypsies and travellers, environmental matters and minerals provision. WMRA published
Interim Policy Statements and Policy Recommendations in respect of these matters in March 2010. 4

3.9. Preparation of the WMRSS Revision Phase 2 had reached Panel Report stage, but had not been subject to Proposed Modifications consultation and had not been approved by the Secretary of State. No further progress on that Revision is anticipated.

Table 8: Estimates of housing requirements in South Worcestershire (net additional dwellings), 2006-2026

<table>
<thead>
<tr>
<th></th>
<th>RSS Phase Two Preferred Option</th>
<th>RSS Phase Two Panel Report</th>
<th>Difference (total)</th>
<th>Difference (%)</th>
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<tr>
<td>Malvern Hills</td>
<td>4,900(^A)</td>
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<td>Worcester</td>
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<td>Wychavon</td>
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<td>40,500</td>
<td>+3,900</td>
<td>+10.7</td>
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<tr>
<td>West Midlands</td>
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<td>+32,300</td>
<td>+8.8</td>
</tr>
</tbody>
</table>

Notes:

\(^A\) Of the figure of 10,500 for Worcester 3,200 will be within Worcester City and 7,300 will be adjacent to the City within the surrounding districts of Malvern Hills and Wychavon.

\(^B\) At least 3,500 will be in Worcester City, at least 3,500 in Malvern Hills adjacent the West boundary of the City and the remainder split between the City, Malvern Hills and Wychavon Districts adjacent to or in the vicinity of the City as determined in the Joint Core Strategy.

Sources: WMRA RSS Phase Two Preferred Option (2007), Table 1, and RSS Phase Two EiP Panel Report (2009), Recommendation R3.1.

3.10. Table 8 of the Focused SubRegional Review of the RSS evidence compares the scale of net housing provision requirement from the submitted RSS phase 2 preferred option and the Panel Report. The latter added 1000 dwellings to the requirement for 2006 to 2026.

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\(^4\) Focused Sub-Regional Review of RSS Evidence Base to inform the South Worcestershire Joint Core Strategy Background Paper 1 Demographics & Housing Need/Demand
Government signals intention to revoke RSS

3.11. At the time of the South Worcestershire Joint Core Strategy Preferred Options 2008, the plan was required to be in general conformity with the Regional Spatial Strategy. Table 1 in the SWJCS Preferred Options identified the RSS target of 24,500 dwellings for the period 2006 to 2026.

3.12. It was not necessary for the SWJCS to justify the level of housing provision whilst the housing provision policy in the WMRSS was to be part of the ‘development plan’ for the area, and there was no indication to the contrary.

3.13. The change in Government in 2010 has had implications for plan-making. Since May 2010, however, the Government has clearly signalled its intention to revoke the RSS. Following the announced intended ‘revocation’ of Regional Strategies (the successors to RSSs) by the Secretary of State on 6th July 2010, in a letter the Chief Planner in the Department for Communities and Local Government emphasised that “Where local planning authorities are currently bringing forward development plan documents they should continue to do so. Authorities may decide to review and/or revise their emerging policies in the light of the revocation of Regional Strategies”. The letter continued that “where local planning authorities are bringing forward new development plan documents or reviewing adopted plans they should present evidence to support their plans. The examination process will continue to assess the soundness of plans, and Inspectors will test evidence put forward by local authorities and others who make representations”. The letter also stated that “evidence that informed the preparation of the revoked Regional Strategies may also be a material consideration, depending on the facts of the case”.

The South Worcestershire response

3.14. The South Worcestershire Councils responded to this by publishing the South Worcestershire Development Plan Preferred Options 2011, including Policy SWDP 2. The justification for proceeding with that stage is set out in paragraph 2.4 of the consultation document, supported by the use of evidence in Background Paper No.3 South Worcestershire Development Plan Demographics Summary Paper (June 2011).

3.15. Representations received on the SWDP Preferred Options plan queried the evidence or lack of evidence demonstrating an audit trail to justify the scale of provision in the plan. They sought to amend policy SWDP 2. Some want SWDP2 to reflect the submitted WMRSS housing provision (or the Panel report), but extending the requirement from 2026 to 2030 Others advocated the use of locally derived housing provision targets, taking advantage of the intention to revoke the RSS, but with a transparent audit trail clearly showing how policy evolved from evidence.

3.16. Since that Chief Planner letter, there have been challenges to the Government’s intention to revoke the RSS. In November 2010, the High
Court quashed the decision of the Secretary of State of 6 July 2010 to revoke Regional Strategies (the successors to RSSs). As a consequence, the Regional Strategy as it stood on 5 July 2010 forms an ongoing part of the development plan (As at the date of publishing this Background paper- 26 June 2012).

3.17. The results of related High Court and Court of Appeal decisions and the Secretary of State’s decisions on planning appeals continue to emerge. The position remains fluid and fast changing.

3.18. The Court of Appeal has clarified that whilst the intention to abolish the RSS is a material consideration in making development management decisions, it is not a material consideration in plan-making decisions.

3.19. As at 2 July 2012 (the date of publishing this draft background paper), regional planning policy still exists. The approved Regional Spatial Strategy (RSS) for the West Midlands remains part of the ‘development plan’ for South Worcestershire.

3.20. For the present, the plan’s reasoned justification needs to make clear the current status of the Regional Spatial Strategy, unless and until the Secretary of State uses his powers to revoke the WMRSS.

Localism Act

3.21. The Government introduced draft legislation the Localism Bill, with key sections relating to the Secretary of State’s powers to revoke the Regional Spatial Strategies. The Localism Act was enacted on 15 November 2011 and the regulations to the powers to revoke the RSSs. came into force on 16 November 2011.

3.22. The Secretary of State has not yet exercised the new powers under the Localism Act 2011 to revoke the approved WMRSS. It remains part of the overall ‘development plan’ for South Worcestershire for the purposes of S38(6) of Planning and Compulsory Purchase Act 2004 unless and until the RSSs, including WMRSS, are revoked.

3.23. Since publication of the SWDP Preferred Options the Secretary of State, on 20 October 2011 CLG published the Environmental report on the revocation of the Regional Spatial Strategy for the West Midlands for consultation which closed on 20 January 2012. The Secretary of State is considering the findings of the assessment and the outcome is awaited.


3.24. Housing strategy at a County level addresses a range of housing policy issues which overlap with planning issues, and have helped to inform the Councils of housing issues which are relevant for the plan to address, and guidance on matters that should be given priority.

3.25. The latest Worcestershire Housing Strategy provides evidence about the strategic housing issues facing Worcestershire. It embraces the current
position of economic restraint and the need to make best use of the existing resources including stock to meet local needs, to maximise income from external sources, to promote the private sector as an option of choice, to think in an innovative way about how housing services could be developed for the future and to encourage people to accept their own role in helping to resolve housing issues whether this is about improving the suitability of their current home or seeking re-housing.

3.26. **The vision** of the strategy is ‘to deliver: “The right home, at the right time, in the right place”. This means that we want every household in Worcestershire to be able to access housing that suits their needs and circumstances when they need it......’ *Our Mission: We will work with individuals, communities and partners to deliver housing opportunities so that people have the right homes, at the right time and in the right place’.*

3.27. The strategy acknowledges that this is particularly challenging with the reductions in public expenditure and wide ranging Government policy reforms such as housing, health and social care and welfare benefit changes... many of the changes in policy include getting rid of unnecessary red tape, making more government information available to strengthen accountability to local people, empowering people to be more pro-active within their local communities and giving people more choice and control over their own lives.

3.28. Key findings from a review of evidence about the local housing markets include:

- Increasing population due to birth rate and in-migration with an increasing proportion of older people many of whom live longer.
- An undersupply of suitable, decent and affordable housing
- Issues around the funding of infrastructure requirements
- Under utilisation of existing stock e.g. empty homes, under occupation of socially rented housing
- Need to improve property standards and combat fuel poverty
- Increased needs for many vulnerable people including the homeless, older people, young people, people with chaotic lifestyles, those fleeing domestic abuse, people with dementia, physically disabled, sensory impairment, people with learning disabilities or mental health issues, minority groups including Gypsies and Travellers.

3.29. The four primary goals in the strategy set the context for action during 2011 to 2016 which the South Worcestershire Development Plan supports:

1. **Better use of existing homes** - maximise the use of the existing housing stock by eg Bringing 700 empty properties back into use’ Helping 400 households with a disabled person to move to suitable alternative accommodation
2 **Delivering new homes** - enable 500 new affordable homes to reduce the gap between demand and supply and to meet local needs in terms of property type, size, tenure and affordability by 31st March 2012 (target to be reviewed annually). Actions to include development of robust needs evidence, policies and investment to help deliver more affordable homes, to review Registered Provider commissioning arrangements, to negotiate for the right number mix of homes to meet local needs and to develop a commissioning plan for supported housing.

3 **Improving the condition of existing homes** - improving the condition of 2500 private sector homes using direct action of the local authority by 2016 to improve peoples’ quality of life (this aids retention of the dwelling stock and avoiding dereliction and the subsequent need to build additional houses)

4 **Providing housing related support** - We will seek to maintain 42,000 positive outcomes per year through the Supporting People programme. **Actions to include** improving the evidence of housing needs within the county, continuing to target the limited resources to people who need them most whilst achieving value for money and positive social outcomes, to develop financially sustainable models of Extra Care provision to meet the needs of older people within the county, develop a new Homelessness Strategy for Worcestershire, increase the number of homeless preventions and to improve the range and consistency of advice and information available and the way in which people access this information.

**Empty Homes**

3.30. The Coalition Government has recognised the need to make better use of existing dwelling stock by addressing the issue of empty homes. The Framework also encourages bringing empty homes back into use (para 51). Bringing long term empty homes back into use means that they become available to meet part of the need for housing which otherwise would have had to be met by new build or conversion. Representations on the Preferred Options advocated the opportunity for the Plan to take this into account when considering the scale of housing growth.

3.31. The English Housing Stock Condition Survey 2010 provides evidence of the current scale of empty homes in South Worcestershire as follows

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<tbody>
<tr>
<td>Worcester</td>
<td>1216</td>
</tr>
<tr>
<td>Wychavon</td>
<td>1392</td>
</tr>
<tr>
<td>Malvern</td>
<td>...1176</td>
</tr>
</tbody>
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3.32. At April 2004 there were a total of 1170 empty properties in Worcester, 2.86% of the 40,921 properties in the City. 346 of the 1170 Worcester total were long term empty properties. Since then the number of empty properties
homes rose but has since fallen. The latest evidence indicates a similar proportion being empty for more than 6 months.

3.33. This means that about two thirds of empty homes are empty only for a short time (less than 6 months). They are occupied when houses are sold, renovated/ repaired, or new tenants found. This is part of the normal ‘churn’ in the housing market, as houses are bought and sold, or re-let. These dwellings are not at risk of being lost to dereliction and cannot be counted again as a net addition to supply when reoccupied. They should not be included as a source of net additional dwelling supply to 2030.

3.34. Of dwellings empty for more than 6 months (long term), about one third are subject to litigation which makes them unavailable for local authority action. Another one third are taking more than 6 months to renovate but will eventually come back into the housing supply without intervention. That leaves only one third which would otherwise remain empty, become derelict with time and eventually be lost to supply. It is these dwellings which need intervention in order to be brought back into use in the housing supply. Supply for this last category can be included in the Housing supply calculations where there is evidence of realistic delivery.

**Worcester Empty Homes Strategy 2005-2008**

3.35. The objectives of the most recent Empty Homes Strategy for the City of Worcester, predate the latest national initiatives, but remain ‘on-message’ as they propose: -

- To reduce the number of long term empty homes and increase the housing supply in Worcester by bringing them back into use
- To minimise the need for future development of greenfield sites and protect the environment
- Create accurate information on the number of empty properties in the area
- To meet a range of housing needs across all tenures, whilst providing a choice of accommodation and neighbourhood
- To raise awareness of the issue of empty homes
- To improve the existing built environment
- To further develop partnership working between Council Departments, Housing Associations, developers and other stakeholders in adopting a pro-active approach in identifying and restoring vacant properties to meet housing need
- To make best use of existing unused housing supply to assist in meeting the need for affordable housing

3.36. Worcester City Council prioritise their investment in empty properties in the City. The priority for the spending of the City Council’s resources is dependent on level of nuisance caused by the property to the local area.
1. Over 6 months and causing nuisance with history of complaints or notices served and within a priority area.
2. Over 6 months and within a priority area
3. Over 6 months and causing nuisance with a history of complaints or notices served.
4. Over 6 months and in poor condition, but not a statutory nuisance.
5. Over 12 months not causing nuisance

The Action Plan - includes

- Private sector leasing scheme with an RSL partner - To increase the number of units available for affordable rented accommodation by 44 units over a 5 year period. (subject to funding/RSL partner identified)
  - Note: to date this scheme is delivering at 50 units per year, but 20 per year are returning to market renting, resulting in year on year net increase of 30 affordable dwellings per year
- Bring back at least 6 properties/ units that have been vacant for more than 6 months during 2005/06 & 2006/2007 - To increase the number of units available for affordable rented accommodation.

3.37. The South Worcestershire authorities are already identifying and bringing back into residential use empty housing and buildings in line with the Worcestershire Housing Strategy and the Worcester Empty Homes Strategy (2005-2008) objectives. In line with these strategies it is reasonable to include an allowance for bringing 150 long term empty dwellings back into use as housing between 2011 and 2030 in Worcester. Similar rates are expected at Malvern Hills. A higher figure of 250 for Wychavon is justified on the basis of past delivery of bringing empty homes back into use.

D. Worcestershire Extra Care Strategy 2012 - 2026

3.38. The issue of extra care housing options and choices available is relevant for SWDP, in the light of an ageing population. The new countywide strategy for extra care housing for older and disabled people provides evidence of the scale of need. It estimates that an additional 4,703 units of extra care housing are required across Worcestershire by 2026. This level of need reflects the growing population of older people in Worcestershire, the majority of them property owners. It also reflects the desire for people who otherwise could be in care homes, to continue to live in their own homes.
<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Total estimated Extra Care units required 2012 to 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malvern Hills</td>
<td>872</td>
</tr>
<tr>
<td>Worcester</td>
<td>591</td>
</tr>
<tr>
<td>Wychavon</td>
<td>1,118</td>
</tr>
<tr>
<td>South Worcestershire</td>
<td>2581</td>
</tr>
<tr>
<td>Worcestershire Total</td>
<td>4,703</td>
</tr>
</tbody>
</table>

3.39. The strategy seeks to encourage imaginative and innovative approaches from providers and developers as a way of responding to the challenging economic climate, the decline in availability of grants for social housing on one side but substantial increases in projected need driven by demographic changes and a tenure mismatch in most districts. It has developed a specification for extra care housing as a basis of guiding housing and care providers, planners and interested agencies based on detailed consideration of the key variables within extra care housing.

3.40. Principles to guide developments are:

- Extra care is seen as an option for a wide range of needs stretching from older or disabled people who need more suitable accommodation, in which to continue to live independently in the company of others through to those who need high levels of care equivalent to residential or even dementia care.
- For the vast majority of older people it should not be necessary to move again simply because more care or support is needed.
- Mixed tenure rather than mono-tenure schemes are preferred in which case leases and tenancy agreements should, as far as possible, convey similar rights and obligations. Services, service charges and dwellings should also be as similar as possible. Because there are some differences in the legal position and rights of leaseholders and tenants generally the (stronger) rights, for example consultation on service charges of leaseholders, should apply to all.
- Space, design, environmental and other standards should be as high as possible in order to ensure long term letability and saleability.
- Extra care development will include ‘village’ type developments and individual ‘schemes’.
- Extra care developments can provide a base to serve a wider community with staff providing an outreach service to a locality while local residents ‘in- reach’ to use communal facilities.
- Continuing Care Retirement Communities, in which different buildings, some of which may be consistent with the key variables of extra care, are devoted to meeting different types of need, are acceptable.
3.41. The need for the spectrum of extra care housing in the future is both a challenge and an opportunity for the SWDP. Consideration of the need for extra care housing has informed the preparation of the new SWDP policy towards housing for older people.

3.42. It also triggered an amendment to Policy SWDP 2 to include an allowance for the release of dwellings as occupants move to Class C2 extra care units. There has been debate recently over the use class of extra care housing models. The issue as to whether these developments fall within C2 and C3 appears to depend principally on the level of care provided, as much as any other factors. Case law and emerging practice supports the opportunity to count those extra care units which meet the criteria of C3 dwellings towards the 5 year supply analysis. Those which are approved as C2 units (eg with higher level care packages) will still reduce the dwelling requirement side. For example extra care housing with a high care package providing 50 units, possibly on the same site or adjoining a new care home, will potentially be releasing 50 homes.

3.43. The classification of extra care units as C2 or C3 has other implications. C2 accommodation is not subject to affordable housing or education contributions, and it does not qualify for the New Homes Bonus. C2 development provides employment (through the care services) and may be appropriate in a wider range of locations than C3 dwellings.

3.44. In considering the ways to develop and deliver extra care housing, as advocated in the Extra Care Strategy, the South Worcestershire Councils will be working with developers, extra care providers, and housing organisations, both social and private; to identify potential sites that are suitable and viable for extra care schemes. Owing to the needs for economies of scale and the cost of providing care packages, some of these types of schemes will only be viable on larger sites.

3.45. The Councils will need to consider the range of options available to deliver extra care housing:

- Through suitable development sites of both new build extra care schemes and ‘village’ type development.
- Encouraging private development of extra care housing.
- Identifying existing sheltered housing schemes that could be upgraded through capital investment to enhance the building to provide the necessary infrastructure to deliver extra care, or a more limited form of extra care.
- Identifying the potential for ‘core and cluster’ models of service delivery in the vicinity of existing extra care schemes, potentially providing care to the wider local community and making the catering and social activity provision within extra care available to the wider local community.

3.46. The economic strategy for South Worcestershire is:
1. To create the conditions for sustained economic and jobs growth:
2. To ensure South Worcestershire is open for business and able to match the requirements of potential inward investors.
3. To ensure a flexible approach is maintained to all opportunities that deliver economic benefits.

3.47. This strategy sets out the approach to delivery this which included providing and maintaining an adequate supply of new homes that support economic growth. More analysis of this strategy is set out in the Economic Prosperity Background Paper.

F. Worcestershire Sustainable Community Strategy

3.48. To meet the legal test, the plan needs to take account of the Sustainable Community Strategy. Worcestershire’s Sustainable Community Strategy for 2011 to 2021 sets three priorities for the county. This is a combined strategy bringing together the Community Strategy of the County Council with the strategies of the six District Councils.

3.49. The three county priorities are:
• A Skilled and Prosperous Economy
• An Environment that is Cherished and Resilient
• Improving Health and Wellbeing

3.50. Whilst the Strategy does not indicate a scale of future housing provision, it does indicate a range of issues relating to housing.

3.51. Under the skilled and prosperous priority the Strategy states that the Worcestershire Partnership will help to realise this ambition to shape Worcestershire’s future so that it can realise its full economic potential by supporting the Local Enterprise Partnership to unlock barriers to growth ensuring we are 'Open for Business'. The focus is on increasing business activity and jobs whilst coordinating delivery around the economy, planning, housing, transport and infrastructure. This will be achieved by creating the right environment for sustainable growth and making it easier for businesses to locate in Worcestershire. The strategy goes on to state that Partners will help facilitate the delivery of affordable housing to meet housing needs.

3.52. Alongside gathering priorities on a countywide level, district partnerships have been identifying their own priorities at a local level which are set out in this strategy. The priorities relating to housing for the South Worcestershire are as follows:
3.53. **Malvern.** The vision for Malvern is "to build a district where people live in supportive communities; travel without reliance on owning a car; feel free from crime and the fear of crime. A place where the rural character and beauty of the area is looked after, where people can enjoy a good standard of living and health and well-being, have secure, well paid and fulfilling jobs and live in an affordable home that suits their needs. Decent affordable housing is one of the challenges for the area. It is regularly rated as one of the top five things that most need improving according to our residents. This will only intensify as the population lives longer; with older people occupying properties that have outgrown their needs.

3.54. **Worcester** We need to work together as partners to ensure that the city continues to grow and provide the jobs, homes and infrastructure that will enable it to successfully compete with larger centres in the West Midlands.

- Worcester Priority Two - Communities.. To have a range of quality housing which meets local needs and supports cohesive neighbourhoods.

3.55. **Wychavon.** In the list of challenges for Wychavon, the strategy states there are approximately 51,500 homes in Wychavon. Levels of home ownership are high at 76%. Wychavon has over 2,250 housing register applicants in housing need - the highest levels in Worcestershire. With the mean cost of a dwelling eight times the average household income, there is a significant shortage of affordable housing to buy and rent. This will increase as the population lives longer and older people occupy properties that have outgrown their needs. The list of Priorities includes:

- Delivering housing that meets local needs

3.56. As a result of this analysis, the SWDP therefore addresses the issues of affordable housing provision, making provision for a range of housing, and housing for older people.
4. Evidence Base: The South Worcestershire Demographic Context

4.1. This Background Paper draws on information and data from a range of sources (see Appendix 1) including evidence reports commissioned to inform the South Worcestershire Development Plan.

4.2. Plan preparation is evidence-based. This is in line with the Framework (para 158) which states that:

"Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals."

4.3. The need for and effective use of evidence to shape the plan is part of the broad approach towards guiding sustainable development. In the section on Achieving Sustainable Development, the Framework refers to the UK Sustainable Development Strategy Securing the Future and its five 'guiding principles' of sustainable development: living within the planet’s environmental limits; ensuring a strong, healthy and just society; achieving a sustainable economy; promoting good governance; and **using sound science responsibly**.

National projections

4.4. Demographic projections are key elements of the ‘theoretical’ numerical calculations of housing need and demand. These are part of the evidence base that informed the development of the Strategic Housing Market Assessment 2012 scenarios (see section 7 of this Background Paper), which in turn provides evidence shaping the development of housing provision policy.

4.5. National household and population projections are published at local authority level. The latest available official projections released are:

- 2010–based ONS Subnational Population Projections for England – these give the most recent long term trend in population for the period 2010 to 2030
- 2008–based CLG Households projections 2008 to 2030. These post-date the WM RSS Examination in Public and the Panel Report.

4.6. Section 3 of The Focused Sub-Regional Review of RSS Evidence Base to inform the South Worcestershire Joint Core Strategy Background Paper 1 Demographics & Housing Need/Demand (November 2010) highlighted the role of projections for plan-making. In its Report, the Panel for the WMRSS Phase 2 EiP concluded that
"The projections do not tell us what the answer to the regional housing provision should be. However, demographic analysis, including projections, is the nearest thing to "sound science" available to inform us about how many households are likely to be in the region over a period looking 15-20 years into the future. In our view the caveats and uncertainties surrounding household projections do not justify setting them aside or ignoring uncomfortable messages which they may convey. The approach should be to interpret the information in an intelligent way and to assess it together with the other factors that need to be considered in framing policy” (RSS Phase Two EiP Panel Report 2009, para 3.15).

4.7. The same is true for the locally derived housing provision policies developed through the SWDP. Section 6 of this Background Paper provides more information about the justification of the locally derived SWDP housing provision policy SWDP 2.

4.8. The evidence base also includes the Demographics Background Paper 2012. This provides the necessary information and analysis of population change to identify key issues, so that the Plan is based on adequate, up-to-date and relevant evidence about the social characteristics of the area, consistent with the Framework (para 158). The plan focuses on households and housing, and the key issue of an ageing population, informed by evidence such as the national projections. The housing policies of the plan are defined in terms of housing numbers not population numbers.

Population projections

4.9. The sub-national population projections are key sources of evidence to which plan-making needs to have regard. They are trend based projections which means assumptions about future levels of births, deaths and migration are based on observed levels mainly over the previous five years. They show what the population would be if these recent trends were to continue.

4.10. The Demographic Background paper analyses the 2008-based Subnational Population projections for South Worcestershire (see sections below on migration and age structure). The Addendum to the Background updates the analyses with the 2010 based population projection.

4.11. The key conclusions from comparing the 2008 and 2010 projections are:

1. The 2010 projections show the total South Worcestershire population as 316,200 by 2030 (Addendum Table 1) compared to the 310,300 from the 2008-based projections (Demographic Background Paper Table 5). The latest population projections show about 6,000 people more than the last national projections by 2030.
2. The population increase between 2010 and 2030 is higher at 29,300 in the latest projections compared to 23,200 in the previous projections.

3. The latest projections continue to show that the projected increase in South Worcestershire is concentrated almost exclusively in the 65-plus age range (projected to increase by over 31,000) (Addendum Fig 1). This represents growth of 55% of that age group, and 107% of the total projected population increase. In comparison the 18-24 and 45-64 age groups are each projected to decrease by 4%. The growth in the very elderly is significantly above the growth rate in the 65-plus age range. The consequences of the growth in the older age group will place considerable pressure on for the need for health care and support facilities in the future.

4. The differences between the 3 Districts continue.
   - Except for those aged 65-plus, Malvern Hills has declines in all age groups, especially in those aged 18-24.
   - In Wychavon there are falls of 5% in the 18-24 and 45-64 groups.
   - In Worcester there is a smaller, although still significant rise in the 65-plus group, and projected increases in each age group under 65.
5. The ‘Natural Change’ component (the difference between births and deaths) continues to show a projected decrease to 2030. (Addendum Fig 2) The decrease in natural change is more pronounced over time in Malvern Hills and Wychavon. This is related to higher deaths, rather than fewer births and is the consequence of an ageing population in these rural areas. By contrast, in Worcester the natural change is positive and fairly constant at about 550 per year.

6. The main cause of the higher projections overall is the increase in international migration. This is far bigger than in the previous projections. Between 2001 and 2006 there was a substantial net international out-migration (about 300/year). Since then there has been a marked change with a net international in-migration2005/6 to 2009/10 of 340/year (using the new indicative migration estimates). The peak period 2006-2009 is linked to the Accession of the A8 countries combined with a period of economic stability. The rate has fallen since then. (Addendum Page 5).

7. The pattern of migration by age group (Addendum Fig 3) indicates in-migration across all age groups except for the 15-19 age group which experiences out-migration of nearly 12,000 to 2030. The rates of loss are particularly high in Wychavon and Malvern. The trend in Worcester is the opposite with in-migration among young adults 15-34, reflecting the position of the University, and the job opportunities at this hub with its sub regional roles. (Addendum Figs 3-5).

8. In previous projections, Malvern received the highest in-migration from overseas, but in the latest projections Wychavon’s rate is higher.
9. Further analysis of migration is set out in the 2012 Housing Growth and Economic Prosperity Alignment Study (eg para 6.12)

![Graph - South Worcestershire Migration Assumptions, 2010-30](source)

Source – ONS 2010-based population projections assumptions

4.12. Whilst the 2010-based projections show a 10% growth to 2030, only slightly below the 2006-based projections, it is not clear that these higher rates will continue in future projections in the long term feature, once the first years of migration related to the Accession of the A8 countries fall outside the 5 year migration calculations.

4.13. Furthermore, a higher total population does not automatically mean more housing will be needed. CLG state that whilst no publication date has been confirmed, they do intend to publish 2010-based household projections. These are awaited.

Household projections

4.14. The CLG household projections are also trend-based and indicate the number of additional households that would live in an area if recent demographic trends were to continue. They are projections, not policy.

4.15. DCLG expresses ‘health warnings’ when publishing its household projections: “They are not forecasts. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. They provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice”.

4.16. The latest Department for Communities and Local Government projections (2008) show an increase of 21,600 households in South Worcestershire between 2008 and 2030. The 2008 household projections are lower than the 2004 and 2006-based projections (See Fig 22)
4.17. Table 17 shows the trend of falling average household size in South Worcestershire. The rate falls by about 9% over 24 years. This is occurring not just in the planned new dwellings but across the entire area within the existing dwelling stock. 9% of the occupied stock existing at 2006 would equate to about 10,800 dwellings, just to house the existing number of people by 2030. This is a key factor in the amount of additional housing to be planned for to 2030, combined with the formation of new households. The consequences of net in-migration would be in addition to need for housing arising from falling household size.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|c|c|c|}
\hline
\hline
Malvern Hills & 2.43 & 2.31 & 2.28 & 2.25 & 2.19 & 2.14 & 2.07 & -0.18 \\
Worcester City & 2.45 & 2.36 & 2.30 & 2.29 & 2.24 & 2.20 & 2.14 & -0.15 \\
Wythadow & 2.49 & 2.38 & 2.32 & 2.30 & 2.26 & 2.21 & 2.14 & -0.16 \\
South Worcestershire & 2.46 & 2.36 & 2.30 & 2.28 & 2.23 & 2.19 & 2.12 & -0.16 \\
Worcestershire & 2.51 & 2.32 & 2.28 & 2.25 & 2.23 & 2.21 & 2.34 & -0.16 \\
\hline
\end{tabular}
\caption{Estimated & Projected Average Household Size for South Worcestershire, 1991-2030}
\end{table}

4.18. The rise in the number of one person households (Table 16) and couple households (Fig 21) are the main causes of the fall in average household size. This is largely occurring in the older age groups and is part of a long term trend, partly related to the ‘baby’ boom after the Second World War.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|}
\hline
Age Group & 2010 Households & 2030 Households & 2008-30 Change & Percentage Change \\
\hline
15-24 & 1,000 & 1,000 & 0 & 2% \\
25-44 & 8,100 & 10,600 & 2,400 & 29% \\
45-64 & 10,400 & 11,800 & 1,400 & 13% \\
65-74 & 6,200 & 7,600 & 1,400 & 22% \\
75-plus & 12,200 & 21,500 & 9,300 & 76% \\
All Ages & 37,900 & 52,200 & 14,400 & 38% \\
\hline
\end{tabular}
\caption{Projected Change of One-Person Households in South Worcestershire by Age of Household Representative, 2006-26}
\end{table}
4.19. The reliance and the weight that the Councils place on the household and population projections is through their use by the Strategic Housing Market Assessment to inform the development of Scenarios of growth, and the Councils’ choice of growth scenario on which to base this plan (See Sections 7 and 9). The Councils have take into account the more recent 2010 based population projections, which would increase the plan area’s population by 2030, but have reserved their position pending the publication of further evidence on household in the 2010 household projections and/or the results of the 2011 Census.
5. **Evidence Base: The South Worcestershire Housing Context**

**Worcestershire Strategic Housing Market Assessment**

5.1. Framework (para 159) makes clear that "Local Planning Authorities should have a clear understanding of housing needs in their area. They should:

- prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
  - meets household and population projections, taking account of migration and demographic change;
  - addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
  - caters for housing demand and the scale of housing supply necessary to meet this demand;

- prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period."

5.2. Production of the Worcestershire Strategic Housing Market Assessment 2012 to provide robust needs evidence has been a key response to Goal 2 in the Worcestershire Housing Strategy. SHMA 2012 updates the detailed analysis in the 2007 SHMA. The 2012 SHMA update provides key evidence which the South Worcestershire Development Plan relies on to develop housing provision policy, in accordance with the Framework.

5.3. Although preparation of the Preferred Options plan was informed by a range of demographic and housing evidence, including the 2007 Strategic Housing Market Assessment, new evidence became available after the Preferred Options were published.

5.4. To be consistent with Framework (Para 159) the Local Planning Authorities need to have a gained a clear understanding of housing needs in their area. Therefore the plan needs to make clear that it has been informed by the latest Strategic Housing Market Assessment (2012), and state

- what the Worcestershire Strategic Housing Market Assessment 2012 is
- how it provides the latest assessment of the full housing needs.
- That the Councils worked with neighbouring authorities and why
• The 2012 SHMA developed scenarios
• It uses latest national projections
• SHMA is evidence, not policy
• Other material considerations are taken into account.

5.5. Every effort has been made objectively to identify and then meet the housing needs of the plan area, consistent with Framework para 17 Core principle 3.

5.6. The Councils have used their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework, consistent with Framework para 47. Section 6 of this Background Paper sets out how the evidence informed the decisions about the scale of housing provision.

5.7. The following key facts about housing in South Worcestershire, as at March 2011, are relevant for plan-making.

1 Dwelling Stock and vacancy rates (SHMA Fig 3.1)

<table>
<thead>
<tr>
<th>District</th>
<th>Total no of dwellings</th>
<th>No of Vacant Properties</th>
<th>Vacancy Rate (Oct 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malvern Hills</td>
<td>33,494</td>
<td>1,122</td>
<td>3.3%</td>
</tr>
<tr>
<td>Worcester</td>
<td>43,179</td>
<td>1,274</td>
<td>3.0%</td>
</tr>
<tr>
<td>Wychavon</td>
<td>51,559</td>
<td>1,326</td>
<td>2.6%</td>
</tr>
<tr>
<td>South Worcestershire</td>
<td>128,232</td>
<td>3,722</td>
<td>2.9%</td>
</tr>
<tr>
<td>Worcestershire</td>
<td>247,4454</td>
<td>6,686</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

SHMA concludes that these are relatively healthy levels with the standard assumption being that a market should expect 3% vacancy to enable turnover.

2 Dwelling Stock Type (Fig 3.2)

<table>
<thead>
<tr>
<th>District</th>
<th>Malvern Hills</th>
<th>Worcester</th>
<th>Wychavon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>1.7%</td>
<td>1.0%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Converted Flats</td>
<td>2.2%</td>
<td>1.5%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Purpose Built Flats</td>
<td>4.3%</td>
<td>7.2%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Terrace</td>
<td>10.6%</td>
<td>23.8%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Semi detached</td>
<td>33.1%</td>
<td>39.3%</td>
<td>31.1%</td>
</tr>
<tr>
<td>Detached</td>
<td>48.1%</td>
<td>27.9%</td>
<td>45.2%</td>
</tr>
</tbody>
</table>
3 T (SHMA Fig 3.3)

<table>
<thead>
<tr>
<th>District</th>
<th>Private ownership</th>
<th>Private Rented</th>
<th>Social Rented</th>
<th>Rent Free</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malvern Hills</td>
<td>75.5%</td>
<td>8.6%</td>
<td>13.8%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Worcestershire</td>
<td>73.6%</td>
<td>9.3%</td>
<td>15.4%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Wychavon</td>
<td>75.4%</td>
<td>6.5%</td>
<td>14.9%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Worcestershire</td>
<td>76.0%</td>
<td>6.7%</td>
<td>15.3%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

4 Affordable/private Housing (SHMA Fig 3.4)

<table>
<thead>
<tr>
<th>District</th>
<th>Affordable (LA/HA)</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Malvern Hills</td>
<td>4,452</td>
<td>13%</td>
</tr>
<tr>
<td>Worcester</td>
<td>6,763</td>
<td>16%</td>
</tr>
<tr>
<td>Wychavon</td>
<td>7,480</td>
<td>15%</td>
</tr>
<tr>
<td>South Worcestershire</td>
<td>18,695</td>
<td>15%</td>
</tr>
<tr>
<td>Worcestershire</td>
<td>36,757</td>
<td>15%</td>
</tr>
</tbody>
</table>

5 Housing completions (SHMA Fig 3.5)

<table>
<thead>
<tr>
<th>District</th>
<th>Malvern Hills</th>
<th>Worcester</th>
<th>Wychavon</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001/2</td>
<td>184</td>
<td>279</td>
<td>400</td>
</tr>
<tr>
<td>2002/3</td>
<td>236</td>
<td>187</td>
<td>480</td>
</tr>
<tr>
<td>2003/4</td>
<td>273</td>
<td>157</td>
<td>551</td>
</tr>
<tr>
<td>2004/5</td>
<td>248</td>
<td>212</td>
<td>421</td>
</tr>
<tr>
<td>2005/6</td>
<td>178</td>
<td>414</td>
<td>333</td>
</tr>
<tr>
<td>2006/7</td>
<td>187</td>
<td>460</td>
<td>256</td>
</tr>
<tr>
<td>2007/8</td>
<td>330</td>
<td>384</td>
<td>273</td>
</tr>
<tr>
<td>2008/9</td>
<td>272</td>
<td>431</td>
<td>214</td>
</tr>
<tr>
<td>2009/10</td>
<td>245</td>
<td>325</td>
<td>178</td>
</tr>
<tr>
<td>2010/11</td>
<td>149</td>
<td>196</td>
<td>223</td>
</tr>
</tbody>
</table>

5.8. The SHMA evidence, which used the latest available national household (2008) and population projections, informed the Councils’ development of policy on housing provision. It enables the Councils to meet the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the National Planning Policy Framework. The national projections and SHMA are evidence not policy. Other material considerations are taken into account, including the natural and historic environment such as the Malvern Hills Area of Outstanding Natural Beauty, and the viability of delivering affordable housing and infrastructure.
5.9. SHMA Figure 6.25 is key evidence for SWDP preparation, as it sets out the calculated theoretical dwelling requirements 2011-2030 plus dwellings delivered 2006 to 2030. These figures were calculated by adding a 3% vacancy figure to the household projections for Scenarios in Fig 6.13 and 6.24. Those scenarios identifying the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meet household and population projections, taking account of migration and demographic change.

*Figure 6.25: Hypothetical Net Dwelling Requirements – 2011 – 2030: Core Scenario 3 and Sensitivity Scenario 2*
**Locally derived housing provision target: the choice of a Scenario for the basis for plan preparation**

5.10. The scenarios are the starting point for the overall locally derived housing provision target. This Background Paper provides the justification for choosing SHMA sensitivity scenario 2 as the basis for the level of housing provision in Policy SWDP 2.

5.11. Representations made on the Preferred Options housing provision by respondents focused on the lack of alignment with an economic prosperity led planning strategy, in particular the consequences for housing a local labour force, the impact on jobs and loss of potential prosperity (measured by loss of GVA). The reduced potential to deliver sufficient affordable housing through the uplift in development value was given as a further reason to increase the level of housing provision.

**New evidence commissioned to critically review justification of policy**

5.12. This concern led the Councils to commission a study by Edge Analytics Ltd to:
- Critically review the evidence base of the Preferred Options
- Consider more recent evidence from the 2012 SHMA and 2010-based sub national population projections
- Consider criticisms of the evidence base and methodology that were made in representation on the SWDP Preferred Options consultation draft.
- Recommend improvements to the alignment of evidence and policy.

5.13. The South Worcestershire Housing Growth and Economic Prosperity Alignment Study (May 2012) concluded that
- The SWDP is open to criticism due to: evidence used; methodologies employed; and the contradiction between the housing growth strategy in the Preferred Options and economic consideration.
- The SWDP was right to reject the housing targets set by the RSS on the basis that its demographic evidence was drawn from methodologies and sources that have since been subject to major revision.
- The SWDP housing policies are not necessarily ‘wrong’ but that they are not properly evidenced.
  - It does not present sufficient evidence to explain or justify the differences between projected household growth and the
‘Preferred Options’. The Preferred Options document is unlikely to satisfy the requirements of the National Planning Policy Framework.

- Evidence is not provided as to the degree of consistency between SWDP housing and employment strategies. The framework that employment and housing assessment and strategies should be integrated. The SWDP could make better use of new sources and more appropriate use of forecasting methodologies to derive its evidence base.

- There is uncertainty associated with demographic statistics in the UK, particularly the robust estimation of international migration. Data and methodological revisions continue and must form part of an updated evidence base to better inform the SWDP.

- There were a wide variety of response to the SWDP consultations on Preferred Options. The most significant technical challenge came from NLP in support of Miller Homes. This was a robust critique of the approach used to determine housing provision in the SWDP with a range of scenarios using the POPGROUP suite of forecasting products.

- The SHMA produced a comprehensive analysis of the key drivers underpinning change in the housing market. SHMA involved a robust assessment of the likely future change in the number of households in South Worcestershire using the POPGROUP model suite. SWDP was completed prior to the publication of the SHMA.

- Since SHMA new evidence has occurred which was not used in the SHMA, This is the ONS 2006-2010 mid year population estimates and the 2010-based subnational population projections.

- The range of evidence from the SWDP, the NLP study, the latest SHMA and the most recent 2010 based projections from ONS present a spectrum of growth scenarios for South Worcestershire to consider. Ignoring the unrealistic extremes (very high economic growth and natural change) these population growth scenarios suggest a spectrum of housing growth for South Worcestershire of 845-1300 dwellings per year for 2010-2030 depending on the assumptions.

5.14. The study includes a set of recommendations. These are set out in Section 6 together with the Councils’ views on those recommendations and the actions undertaken in response to them.
5.15. For South Worcestershire, the development of a more substantial evidence base would need to be balanced with the wider range of planning considerations, to derive a district distribution of housing growth. This will need to recognise that the three districts form a geographical unit and, whereas demographic statistics align to administrative boundaries, housing growth strategies may not. Different spatial growth scenarios can be assessed in terms of their demographic and economic effects, comparing directly with the evidence from policy-off, demographic trend scenarios.

Affordable housing

5.16. SHMA Figure 7.3 provides the other key evidence for the plan about the level of affordable housing need:

1. The annual net requirement for affordable housing for the 5 year period 2011 to 2016 when the backlog of housing need is addressed plus newly arising need (step 3.8)
2. The information on annual newly arising need (step 2.4) and the scale of annual social relets and intermediate affordable housing relet/resale - to new tenants- (taking into account step 3.8 and information on past relet rates in para 7.52) which informs the assessment of long term net new need arising.

5.17. However, there is further information on relets in SHMA 2012 para 7.52 where ‘Consideration of both approaches, suggests that the level of re-lets to new applicant households in Worcestershire has decreased from 2,389 in the previous assessment (2009/10) to 1,994 in the 2011 assessment. This aligns with the market trends detailed in section 5 which highlighted
the impact of market mobility challenges on the numbers of households able or wanting to move in all tenures’.

5.18. Para 5.98 goes on to conclude that ‘knock-on effect of the difficulty in accessing the private housing sector has been a growth in demand for social rented property, where rental levels prove substantially more affordable for low income and emerging households. While new stock has been delivered across the County over recent years, this supply has failed to keep pace with need / demand with a relatively high backlog of households currently on the waiting list for each authority’. Even when only considering those households classified as in ‘significant need’ there is still a substantial backlog of households in need.

5.19. One aim of the economic prosperity led SWDP is to increase the supply of housing – both market and affordable housing. The long term outcome of which should be a significantly reduced backlog and higher relet rates than at present, as household confidence improves which increases the levels of move from affordable housing to private sector housing.

5.20. SHMA 2012 provides evidence that nearly all of the affordable housing need in South Worcestershire to 2016 is for social rented housing (ranging from 83% in Worcester to 97% in Malvern Hills, the latter a reflection of the strong annual supply of intermediate market housing committed)
6. Future housing provision

6.1. Plan-making commenced in 2006 and the Plan evolved through the preparation and consultation Regulation 25 stage to date taking into account the legislation, national guidance and evidence available at the time.

6.2. The South Worcestershire Development Plan emerged during a period of considerable change. It has had to address the challenging economic conditions and the Coalition Government’s reforms of the planning system including:

- The Localism Act November 2011
- Local Planning Regulations March 2012
- Neighbourhood Planning Regulations March 2012
- The National Planning Policy Framework March 2012
- Planning policy for Traveller Sites March 2012
- Technical Guidance to the National Planning Policy Framework March 2012
- National Planning Statements

6.3. The following paragraphs set out how the plan changed regarding housing provision.

6.4. South Worcestershire Joint Core Strategy Issues and Options. ...November 2007. The adopted RSS 2004 and with the emerging RSS. Those plans set the housing provision total so it was not necessary for the South Worcestershire Councils to determine or justify that level of provision. The plan focused on policy relating to the level of housing supply that would enable the plan to be in general conformity with the higher tier housing provision policies, as required by legislation and guidance. The consultation document set out a range of alternatives regarding housing supply.

6.5. South Worcestershire Site Allocations and Policies DPD: Consultations The South Worcestershire Councils gathered evidence and undertook early consultations on potential sites in October 2009 – April 2010 (Worcester and 7 towns – Autumn 2009 Rural areas – Winter/Spring 2010) with Parish and Town Council visioning workshops were held in October 2010. These considered the potential to allocate smaller sites in a separate Development Plan Document. They excluded the urban extensions that had already been considered through the JCS.

6.6. Following the general election in May 2010 the new Government made clear its intention to revoke existing Regional Spatial Strategies and the preparation of the emerging Regional Spatial Strategy for the West Midlands was abandoned. In the absence of regional spatial strategies local planning authorities were being given responsibility for establishing the right level of local housing provision in their areas, and identifying a
long term supply of housing land. Guidance issued by the Department of Communities and Local Government in July 2010 indicated that local authorities should continue to collect and use reliable information to justify their housing supply policies and defend them during the DPD examination process; and that this should be done in line with the then current policy in PPS3 Housing.

6.7. In July 2010, the Coalition Government amended PPS3 to remove the national targets for development on Previously Developed Land (brownfield land) and the targets for density. These matters are for local determination.

6.8. South Worcestershire Development Plan: Preferred Options September 2011. Strategic housing provision and supply policy then evolved from the initial work on the South Worcestershire Joint Core Strategy (SWJCS) and the identification and testing of alternatives, and the development of preferred options through the SWJCS. The Councils merged the SWJCS and the formers Site Allocations and Policies DPD. This gathered together the strategic and non-strategic policies, strategic sites and other site allocations into a single Development Plan Document, South Worcestershire Development Plan. They took the opportunity to reappraise the strategy following the change in Government in 2010.

6.9. The Preferred Options predate the Draft National Planning Policy Framework (NPPF – published 25 July 2011) as the Councils’ decisions to approve the Preferred Options for consultation took place on 5 July 2011. Consultation responses to the Preferred Options however were informed by the draft NPPF.

6.10. The Preferred Options also pre-date the Localism Act which was enacted on 15 November 2011 just days before the end of the consultation period on the Preferred Options. However, the Localism Bill, and consultations on draft regulations on Local Planning and Neighbourhood Planning were available at the time of the Preferred Options consultation. These informed consultation responses to the Plan. The Act introduced a new ‘Neighbourhood’ level of planning below the ‘Local Planning’ level. Feedback from local communities through the JCS and SWDP Preferred Options consultation indicates significant dissatisfaction with the levels of housing growth which were set out in the emerging WMRSS.

6.11. The levels of development set out in the WMRSS were partly based upon the 2006 DCLG household projections. Since then the 2008 household projections show a drop of 20% in household demand with the on-going economic down turn being the main factor behind the change.

Should the plan be based on WMRSS provision targets?

6.12. When plan preparation started on the South Worcestershire Joint Core Strategy, legislation required the Development Plan Document to be in general conformity with the approved Regional Spatial Strategy, including strategic policies setting housing provision targets for each Local Planning

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Authority area and other policies including identification of the broad location and scale of urban extensions. The scale of housing provision for South Worcestershire Authorities is listed in paragraph 3.7 above.

6.13. Since the change in Government in 2010, the Government has signalled its intention to revoke the West Midlands RSS and the housing provision. The role of determining locally derived housing provision targets now lies with the local planning authorities. Through the plan making process the South Worcestershire council will establish the scale of housing provision for the plan period and the broad distribution of growth, as well as identifying the sources of supply to meet that level of housing provision requirement.

6.14. The question is whether the plan should be based on the RSS levels of housing or should the Councils look to identify and justify locally derived housing provision figures.

6.15. Whilst the legal position regarding Regional Strategies is likely to change, the evidence base that underpinned those strategies may still be relevant to local planning authorities. However, it should be noted that:

- Some of the RSS evidence reaches back a few years in time and may therefore have become superseded
- Where applicable, Local Planning Authorities will have to have regard to more recent evidence; and
- The Focused SubRegional Review of the RSS was not intended to be comprehensive review of the RSS evidence base but concentrates on key issues as defined by the South Worcestershire Joint Officer Steering Group;
- The SWDP as proposed to be changed has been informed by the latest available relevant evidence.

6.16. The critical review of the Preferred Options (Edge Analytics 2012) concludes that the SWDP was right to reject the housing targets set by the RSS on the basis that its demographic evidence was drawn from methodologies and sources that have since been subject to major revision.

6.17. The South Worcestershire Councils did not submit objections to the submitted WMRSS proposed scale of housing but there have been significant changes since that time. The most important are the challenging economic circumstances and the consequences for demand for housing.

**Locally derived housing provision targets**

6.18. In producing their own locally derived housing provision targets it is important for needs to be ‘objectively assessed’ so that the plan is
consistent with Framework (para 14) and the need for the SWDP ‘to meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless........’

6.19. Several respondents to the preferred options sought considerably higher provision and criticised the justification of the provision target set out in Table 2 of the Preferred options on the grounds that justification:

- was lacking
- was unclear and lacked an audit trail
- did not use the evidence which the plan relied on
- did not use the latest evidence available.

6.20. Some respondents considered that that the higher number of households will not necessarily translate into an equivalent demand for additional dwellings on which the plan is based. They suggest that extant planning permissions for housing are not being actioned because of insufficient demand and that the depressed housing market will persist for some time.

6.21. Particular issues relating to the impact of changing economic performance on projections and the demand for housing were raised at the WMRSS EiP. They were also raised in responses to the Preferred Options Consultation. The SWDP responds to the need to take a longer term perspective by planning housing provision to 2030. It has been informed by the conclusions set out in the WMRSS Panel Report about the following (see the Section 13 of the Focused Subregional Review of the RSS Evidence base) regarding:

a) Impact on migration levels.
b) Impact on demand for housing.
c) Impact on deliverability.

Response to the critical review of the Preferred Options

6.22. The Councils have responded to the recommendations of the critical review in the Edge Analytics study 2012

1) To ensure it provides a robust and reliable base from which South Worcestershire’s housing strategy can be agreed and that it meets the requirements of the NPPF, the SWDP has updated its content to include evidence from the latest SHMA, supplemented with the most recent evidence from the 2010-based projections from ONS.

2) Through this Background paper the SWDP preparation includes an evaluation of the demographic impact of SWDPs preferred policy using SHMA methodologies – this complements the work presented in the NLP report.

3) Analysis is included within this Housing Background Paper for South Worcestershire in total and for the three constituent areas of
Worcester City, Malvern Hills and Wychavon as the aggregate picture may hide important district variations. It forms the basis for the development of Policy SWDP 2.

4) The SWDP is supported by an analysis of economic and employment prospects so as to demonstrate that housing and economic strategies are aligned. See the Economic Prosperity Background Paper. The Councils consider that with the on-going uncertainty with regards to recovery and growth it is better to evaluate a range of jobs growth scenarios and to consider what is an acceptable balance between the size of the labour force, commuting patterns and the significant ageing of the population.

5) The reliance of the Plan on Sensitivity Scenario 2, has considered important sensitivities associated with

   a. Job growth and economic activity rates of the elderly
   b. Rates of household formation given the likely stability in average household size in recent years
   c. Migration, particularly international which may fluctuate in the future, potentially having a substantial impact on the growth profile suggested by the latest 2010 based population projections

6) The Councils will consider the possible implications of the first population and household estimates from the 2011 Census due in July 2012 and how they differ from recent projections and estimates

7) The recommended change to the base date of the SWDP so that it aligns with that of the most recent set of evidence. (2010 base with a 2030 time horizon) was not accepted, but the 2030 end date has been retained.

Evidence relied on by SWDP for locally derived provision target

6.23. The SWDP now places limited reliance on evidence for the WM RSS review phase 2. Early evidence for the RSS review was not been informed by the latest national household and population projections. New evidence is now available which the South Worcestershire Councils consider to be proportionate and which therefore this Background Paper takes into account.

6.24. Instead justification of housing provision policy SWDP 2 relies on extensive use of:

   a) more up to date evidence such as the Worcestershire SHMA 2012 (including its use of evidence from the Advantage West Midlands profiles to inform SHMA scenarios), the 2008 household projections,
the 2010-based Subnational Population Projections, and the analysis in the South Worcestershire Demographic Background Paper 2012; as well as

b) relevant, locally specific evidence such as the Sustainability Appraisal, the SFRA, the Affordable Housing Viability Assessment, the Employment Land Review.

**Strategic Housing Market Assessments**

6.25. Section 7 explores in detail the use of the Strategic Housing Market Assessments to inform the preparation of Policy SWDP2

**Household projections**

6.26. The comparison of household projections made in para 4.16 above for 2008 to 2030 indicates that if national projections were relied on as the basis for justifying Policy SWDP 2 housing provision this would increase the number of households by 16 to 20%.

- In the whole plan period, extending the 21,600 household growth from the 2008-based projections by 2 years (2006-2008) would add about 2160 to the total, ie to 23,760. Allowing for 3% vacancy rate, this equates to 24,500 dwellings.

- Based on the 2006 based national projections, the quantum of housing growth in South Worcestershire would be about a quarter higher than the 2008 based projections ie about 30,000 dwellings. This projection was based on a period of significantly higher economic growth and stability, which the Councils consider to be the unlikely to be the case for some time into the future.

**Migration**

6.27. The international migration element has a dynamic impact on household projections. High rates of international in-migration in recent years, notably from Eastern Europe, have influenced population growth. This is now tapering in the UK mainly because of the economic downturn. (see. Focused SubRegional review of the RSS Evidence Base para 13.2

6.28. The Councils consider that whilst international migration can be expected to continue, the higher levels from the A8 Accession countries is unlikely to be such a dominant feature, thereby reducing pressure on housing in South Worcestershire.

**Unmet need and backlog**

6.29. Unmet need and housing backlog are complex issues and different perspectives are being expressed of what constitutes unmet need/backlog and how this should be addressed through planning. One useful way of seeing the issue is through a ‘flow’ perspective “It should be emphasised that what is often termed the backlog of current unmet need is a snapshot
of what is really a series of flows into and out of housing need (the ‘churn’). People move into housing need for reasons such as relationship breakdown, eviction, losing a job with tied accommodation, or having a child in the case of lone parents. At the same time people move out of housing need by establishing a new relationship, finding a job, going to live with parents and so on. The provision of additional housing would not eliminate the flow of those entering housing need, but would assist people to move out of it more rapidly.

6.30. Unmet need is not something that will necessarily be entirely eradicated. If the pool of unmet need is considered in this way, it would be a cause for concern if the pool was filling up faster than it was emptying, or if the same households remained in the pool year after year” (RSS Phase Two EiP Panel Report 2009, para 3.45).

6.31. The Panel concluded that addressing backlog and unmet need requires a combination of targeted housing policies (e.g. suitable accommodation for the elderly) and social housing provision as well as an adequate overall housing supply. In view of this, the Panel concluded that, in order to tackle unmet need, there was upward pressure on the regional housing total proposed in the RSS Phase Two Preferred Option.

6.32. The South Worcestershire Councils have considered unmet need, both internal and external through their duty to cooperate activity. More analysis of this issue is set out in Section 8 of this Background Paper.

Gross and net provision

6.33. The housing provision target set out in Policy SWDP 2 are for net additional dwellings – so take into account the need for gross provision to address the replacement of demolitions and losses through change of use. The assessment of completions and commitments in this background paper are made on this net supply basis to meet net provision requirements/

6.34. The same approach was adopted for the housing figures in the RSS Phase Two Preferred Option which were calculated on the basis of ‘net’ additional dwellings required (i.e. new dwellings to be provided, exclusive of dwellings required to replace demolished housing stock)³. The RSS Phase Two EiP Panel confirmed that “The net approach was generally supported and accords with guidance in PPS3.(see Focused Subregional Review of the RSS Evidence Base -Section 12)

Relationship between population growth, household growth and housing

6.35. Whilst an increase in the total population may imply an increase in household numbers the relationship between growth in population, growth in households and the needs for additional housing is not straightforward.

6.36. The number of households rises where the number of households forming is greater than the loss of households. New households form from within the existing population, as well as from population moving into an area, but this is offset in part by households moving out of the area or from losses due to eg death, or dissolution of marriages/partnerships.

6.37. SHMA Para 6.9 refers to the national trend of falling average household size in private households (eg not living in institutions/care homes/hotels/hostels) has fallen steadily for decades. With more people in an area, but fewer people per dwelling. This has a significant impact on the need for additional dwellings, even if migration into an area is low. Falling household size occurs across the entire housing stock, meaning that more housing is needed just to house the existing population, not just the population in planned new dwellings.

6.38. SHMA Figure 6.27: Projected Changing profile of Households by Type (2006-2030) – for Sensitivity Scenario 2 (summarised in Figure 6.29) indicates there are an additional 54,100 single person and couple households to 2030. In Worcester these are largely younger households, but in Malvern Hills and Wychavon these are largely older person households. SHMA highlights recent trends eg Para 4.37 regarding the relatively large proportion of smaller properties developed in Worcester over recent years within the city centre market, the majority of which will be occupied by smaller households.

6.39. Early results from the 2011 Census should give new evidence to assess whether the recession has caused a hiatus in that long term trend of falling household size or the growth in the number of households.

6.40. SHMA para 6.113 concludes that the substantial projected growth in one person households overall suggests a sustained demand for smaller properties. However, this will not solely be reflected in aspirations for flatted properties. A notable proportion of current housing stock is occupied by single person households who aspire to have additional space and the options available through a house. SHMA para 6.113 also concludes that due to the predicted increase in older family households a sustained demand for larger family stock and new supply of this type and size of housing will be required over the plan period to accommodate demand and the aspirations of households.

6.41. Para 2.21 considers the implications of key national housing policy and benefit changes eg rising pressure of demand for low priced smaller properties. SHMA Fig 7.4 provides evidence on estimated size of affordable housing for 2011-2016. This shows there is a predominant requirement for smaller 1 and 2 bedroom dwellings. Also there is to a lesser extent, a continued requirement to deliver medium and larger family-size dwellings consisting of 3 and 4+ bedrooms.
6.42. It is erroneous to conclude or infer that the projected growth in households will be accommodated only in the new housing provision made through this plan, or that new housing will only be occupied by new households. Some existing households will move into and occupy new housing. This releases housing. As a result part of the growth in households can be met by the existing dwelling stock.

6.43. It is erroneous to conclude that because 70% of the increase in households will be single person households that over 70% of the new housing will therefore be smaller dwellings (eg 1-2 bed dwellings). The mix of housing to be provided also needs to take into account the mix of housing stock available, and evidence of need in the local area.

6.44. Informed by evidence, Policy SWDP 30 on housing mix allows for flexibility towards changing households and the range of new housing. The plan needs to be clear about the implications of demographic and household changes, and the increase in housing and the policy responses to those issues, in order to be consistent with Framework para 154 (policies to provide a clear indication of how a decision maker should react to a development proposal).
7. Scenarios for an increase in the supply of housing in South Worcestershire

7.1. The Strategic Housing Market Assessment (SHMA) 2012 developed a set of core scenarios. SHMA provides detailed analysis of key indicators, using a number of models and approaches and seeking opportunities to triangulate a range of data sources wherever possible to construct scenarios of likely change. The scenarios therefore present a set of evidence based parameters to help inform policy development.

7.2. These scenarios include variations on four key driver-led projections, alongside a benchmark scenario driven from the 2008 based Sub-National Population Projections (SNPP) published by the ONS.

7.3. The approach used by SHMA of considering a range of potential projected futures and informing datasets follows the advice of the National Planning Policy Framework (Consultation Draft, July 2011) and was intended to provide the authorities of Worcestershire with a sound evidence base to inform emerging strategy and policy development.

7.4. The five core scenarios are:

1. **ONS 2008-based Sub-National Population Projections (SNPP) -** Presented as a benchmark against which to compare other scenarios. The population element has not been altered in any way, although the derived household projections incorporate rescaled household headship rates, which are applied to all scenarios.

2. **Natural Change Scenario** – This is a hypothetical trend-based scenario under the conditions of "no migration", so births and deaths are the only drivers of growth. Although purely hypothetical, this provides an important insight into the levels of population change which would occur from locally generated demographic pressures.

3. **Migration-led Scenario** – This is a trend-based scenario developed using similar methodology to the SNPP, but draws on more recent data from ONS mid-year estimates on births, deaths and migration to derive an updated alternative projection. This projection therefore incorporates the reduction in internal migration since 2008 and changes in international migration which tend to fluctuate.

4. **Employment-led Scenario** – This is a "policy-constrained" projection that takes the migration-led scenario as a base and constrains the population to the latest employment forecasts taken from the Labour Market Future Profiles produced by Advantage West Midlands. The forecasts show the impact of the recession from 2006 with a slow, steady recovery across Worcestershire. Economic activity rates, unemployment rates and commuting ratios for the authorities continue to reflect recent trends.
5. **Dwelling-led scenario** – This is a "policy-constrained" scenario which also takes the migration-led scenario as a base but models the impact of a future house building trajectory based on average completion rates over the past 6 years.

7.5. A further two sensitivity scenarios are presented through the research. These scenarios address potential data inaccuracies identified within the official ONS datasets relating to the treatment of international migration using local data and apply updated assumptions to reflect official policy changes impacting on the operation of the labour market in the future.

- **Sensitivity Scenario 1** International Migration correction -Redditch
- **Sensitivity Scenario 2** – Economic Activity Rates of Older Persons – Economic activity rates have been modified for the age cohorts 50 – 64 and 65+ on the basis of the appraisal of CS4. CS4 has been rerun applying these assumptions. This provides a refined analysis of the assumptions underpinning Core Scenario 4 to provide a robust projection aligning demographic and economic factors.

![Figure 6.22: Sensitivity Scenario 2: Population and Household Projection Data](image)

7.6. SHMA para 6.97 recommends

a) **Core Scenario 2** could be viewed as representing one end of a spectrum of demand. This scenario is based upon recent trends in demographic change, which have in turn been driven by the economic and property market context which has evolved significantly since 2007. At this point in time it is considered likely that these drivers will continue to affect the market over the short-medium term.

b) **Sensitivity Scenario 2** could be viewed as representing a projection which takes account of potential economic drivers. Importantly this factors in an important potential driver of change in the relationship between employment and the labour force in terms of economic activity rates of the upper age bands of the working age population.
7.7. The Natural Change scenario is a hypothetical scenario in which population projections are modelled based on the impact of 'no migration', where the only drivers of growth are births and deaths in an authority. As SHMA (Para 6.20) emphasises, this represents a hypothetical position as this set of circumstances could never reasonably be expected to occur. It does, however, provide an important insight into the anticipated levels of population change which will occur from locally generated demographic pressures alone. It is a means for other scenarios to be compared to in order to assess their implications.

7.8. Results and analysis of the population projections produced from the 5 scenarios are presented in the SWDP Demographic Background Paper (Fig 24 and Table 19). The lowest level of growth within South Worcestershire is projected to be the Natural Change scenario, of just over 1,800 persons over the 2008-30 time period. The dwelling-led and migration-led scenarios both have similar projected population increases of just over 6%, lower than the SNPP projected change of almost 9%. The employment-led scenario has a higher projected population than the SNPP population, of almost 40,000 persons, representing an increase of almost 14%.

![Figure 6.13: Household Projections - The Five Scenarios](source: Edge Analytics, 2011, GVA, 2011)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Households 2006</th>
<th>Change 2006-2026</th>
<th>Annual Change (20 years)</th>
<th>Households 2030</th>
<th>Change 2006-2030</th>
<th>Annual Change (24 years)</th>
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<tr>
<td>Scenario 1 - Sub-National Population Projections (SNPP)</td>
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<td>36,760</td>
<td>230,130</td>
<td>273,470</td>
<td>43,340</td>
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<td>251,570</td>
<td>8140</td>
</tr>
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<td>Scenario 3 - Migration-led</td>
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<td>Scenario 4 - Employment Constrained</td>
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<tr>
<td>Scenario 5 - Development constrained</td>
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<td>30,830</td>
<td>230,130</td>
<td>267,270</td>
<td>37,140</td>
</tr>
</tbody>
</table>

How SHMA 2012 takes account of 2008 CLG household projections

7.9. Analysis in the SWDP Demography Background 2012 concludes that in the SHMA scenarios the DCLG 2008 based household representative rates are not applied directly to the population projections. Instead, the DCLG headship rates were compared with council tax data. The population
estimates were then divided by the known number of occupied properties to derive a set of updated household sizes, which were then used to recalculate the household projections from the population projections.

7.10. The geographic areas in the SHMA report and analysis are the Worcestershire Local Authorities (SHMA page i – SHMA Spatial Geographies), not the SWDP Sub Areas.

Preferred Scenario

7.11. The South Worcestershire Councils’ locally derived housing provision policy is based on SHMA 2012 Sensitivity Scenario 2, on the basis that this provides the best overall fit with the following criteria which the Councils consider are the most appropriate basis for long term planning:

- Improved alignment between housing and employment
- Improved delivery of affordable housing through the uplift in development land value
- Realistic balance between the slow-down in the housing market associated with the current turbulent economic conditions and long term economic growth aspirations
- Improved alignment with delivery of key priorities in the Sustainable Community Strategy
- Improved alignment with the Plan’s objectives
- Improved fit with the consequences of changes to working age and pensions.

7.12. Appendix 5 sets out the analysis of the SHMA Scenarios. The conclusion is that Sensitivity Scenario 2 which is based on Scenario 4 (Economic constrained) adjusted by further assumptions regarding economic activity rates in older age groups provides the best fit with the above criteria. This ensures the plan has a better alignment between population, economic activity/labour force; households and housing, consistent with an economic prosperity led planning strategy and the plan’s objectives.

Overall scale of provision

7.13. The overall scale of housing provision associated with Sensitivity Scenario 2 is set out in the table below (See SHMA figure 6.25)

<table>
<thead>
<tr>
<th>SHMA Sensitivity Scenario 2 – Theoretical forecast of Housing Growth</th>
<th>2006-2011</th>
<th>2011-2030</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>District</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worcester City</td>
<td>1796</td>
<td>6350</td>
<td>8146</td>
</tr>
<tr>
<td>Malvern Hills</td>
<td>1186</td>
<td>6340</td>
<td>7526</td>
</tr>
<tr>
<td>Wychavon</td>
<td>1144</td>
<td>6360</td>
<td>7504</td>
</tr>
<tr>
<td>South Worcestershire</td>
<td>4126</td>
<td>19050</td>
<td>23176</td>
</tr>
</tbody>
</table>
7.14. Policy SWDP 2 therefore makes housing provision for about 23,200 dwellings for 2006-2030, reflecting the overall scale of housing growth associated with SHMA Sensitivity Scenario 2 (23,157 dwellings). This choice of the overall scale of growth aims to improve the alignment of housing, jobs, and the labour force.

Sub Areas Housing provision

7.15. The scale of growth of the Plan’s sub areas is moderated by the need to respect key environmental assets, notably the Malvern Hills AONB and to absorb displaced housing requirement within the plan area, so that the plan is positively prepared. Housing Background Paper 2012 sets out the detailed justification of the planned scale and distribution of housing development.

7.16. Redirection of the displaced Malvern Hills housing requirement to other parts of the plan area, including to the Wider Worcester Area is a key component of the plan. However, there will still be net in-migration into Malvern Hills. Without this, given the situation of natural decrease in the area, the local labour force would decline faster with adverse impact for the local economy.

Improved alignment Economic Prosperity and Housing

7.17. SWDP preferred options relied on 2 key sources of evidence about the economy

   a) the South Worcestershire Employment Land Reviews (March 2011 and Feb 2008)
   b) the Worcestershire County Economic Assessment (2010/11)

7.18. However, these sources of evidence did not adequately demonstrate links between housing and the economy.

7.19. The SWDP preferred options rightly acknowledges current circumstances, including the economic downturn since 2008. It has been realistic about recognising these circumstances and the impact that this has had on reducing the economic growth forecasts down from the previous optimistic aspirations from growth. There have been similar reductions in national growth projections, even in the Government’s figures as set out in the 2012 HM Treasury Budget report.

7.20. However, the plan must also be informed by robust evidence. At this time forecasts of growth are not as optimistic as those prior to the recession.

7.21. SWDP needs to plan for positive growth in the long term in line with the Framework core principle and paras 18 to 19 to proactively drive and support sustainable economic development. The focus is on contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at
the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure.

7.22. However the Strategic Market Housing Assessment 2012 produced since the preparation of the Preferred Options provides more update evidence which needs to inform the SWDP. SHMA para 4.51 makes clear that the SHMA was informed by Advantage West Midlands forecasts which project that total employment in Worcestershire will decrease over the period from 2006 to 2031 by around 1% (267,200 reducing to 265,100).

7.23. In terms of employment change over the period 2011 to 2030, the projections show a level of growth in Worcestershire, almost 11,500 new jobs. Fig 4.13 demonstrates the change for each Authority with Worcester City having 6% growth in employment despite the 2% fall to 2011.

7.24. The AWM forecasts project that total employment in Worcestershire will decrease over the period from 2006 to 2031 by around 1% (267,200 reducing to 265,100). In terms of employment change over the period 2011 to 2030 however, the projections show a level of growth, almost 11,500 new jobs. These overall trends, however, mask significant variations in the projected levels of employment across all six authorities during this period of time SHMA para 4.51. (More details about the 3 districts in South Worcestershire are set out in para 4.52.)

7.25. The scale of housing provision of about 23,200 has been informed by Sensitivity Scenario 2 from the 2012 Strategic Housing Market
Assessment, which is a variant of Core Scenario 4 which aligns employment forecasts with the projected labour force within each authority, based on the demographic trend-based Core Scenario 3. This alignment process keeps a number of key assumptions constant, including Economic Activity Rates.

7.26. Basing the SWDP now on Sensitivity Scenario 2 is the Councils’ response to the criticisms of the Preferred Options and their recognition of the importance of addressing the ways for the plan to respond to the forecast of changes in employment, and thereby improve the alignment of the plan’s policies with the intention of being an economic prosperity led planning strategy.

7.27. SHMA paras 6.85 and 86 conclude that for the majority of authorities the projections under Core Scenario 4 show a significantly greater level of population growth. This is largely driven by the assumption that each authority needs to accommodate further in-migration of working age people to service new jobs or indeed existing jobs as the population ages and retires. In reality it is likely that the existing labour force will expand its capacity naturally through higher levels of economic activity of those in the upper age bands of the active workforce. This reflects plans to raise pensionable ages and a sustained pressure on many people to continue to supplement potential pensions with income from employment.

Assumptions about increase in Economic Activity in Older Age Groups

7.28. In SHMA 2012, Sensitivity Scenario 2 modifies the Economic Activity rates used in Scenario 4 of this older age cohort with incremental increases in economic activity rates in the age groups 50-64, and 65 plus. Para 6.87 concludes that these assumptions serve to expand the latent capacity of the existing labour force rather than require the same levels of in-migration of working age people to match job forecasts. This is considered to represent more accurately the way in which the labour force will change in the future.

7.29. The availability of a labour force is a national long term issue due to the ageing population. The impact of raising the pension age and the consequent need for many to work longer is already the subject of national policy on pensions. It is therefore reasonable to anticipate this likely rise in economic activity rates in older age groups

Taking a long term view

7.30. The SWDP plans for the long term. South Worcestershire needs to be ready for when economic conditions improve. Key drivers towards increasing provision for housing and housing choice continue to be: a growing number of households; falling household size; the need to accommodate the labour force; and an increasing and ageing population. Short to medium term trends in the housing market related to the current
challenging economic circumstances should not dictate the plan’s ability to respond to these long term issues or to provide for the scale of growth to 2030. Making housing land available for housing the labour force is one of several measures relating to an economic prosperity led planning strategy. The plan as proposed to be amended (with higher housing provision and more flexibility in the employment land supply) makes reasonable allowance for economic recovery, including housing market recovery (more details are set out in the Economic Prosperity Background paper).

7.31. The plan needs to include policy on plan review that further enables the Councils to respond to changing economic circumstances, if the evidence at that time demonstrates evidence of a return to an even stronger economic position.

Preferred Scenario and Affordable housing

7.32. On the basis of the available evidence, including the scale of housing provision, the Councils calculate that there is:

- An overall need in South Worcestershire for about 8,350 additional affordable dwellings in the plan period (with need to be met from 2011 amounting to 6,940 affordable dwellings)
- potential for development to deliver about 5,500 affordable dwellings in the plan period (with 4,090 of these to be found through the development of the residue of housing provision not built or committed (and not empty homes or C3 release), from 2011).

7.33. The need for 8,350 affordable dwellings takes into account:

- 1,082 completions to 2011
- total commitments for 329 as at April 2011
- a further 3,785 affordable dwellings to meet the current backlog of need and net newly arising need 2011 to 2016, plus
- additional net newly arising need for 2016 to 2030 of the order of at least 3155 dwellings.

7.34. The Background Paper provides an objective assessment of the sources of supply. It indicates that if affordable housing delivery relied only on the uplift of development land value then total potential supply of additional affordable housing in the plan period would amount to about 5,500 affordable dwellings. This assessment is based on:

- 1082 completions 2006 to 2011 plus total commitments for 329 as at April 2011
- the potential to deliver up to approximately 4,090 affordable dwellings from future housing supply from which affordable housing can be sought. This takes into account
the residue of overall housing provision not committed as at April 2011 (approximately 13,440 dwellings including delivery on sites allocated in this plan but excluding empty homes brought back into use and housing release as household moves to extra care housing with high-care packages)

Policy SWDP31’s sliding scale of affordable housing to be sought from sites permitted for C3 dwellings

a further reduction of 5% made for forecasting purposes only to discount lower delivery rates prior to plan adoption and to allow for circumstances where there may no local need, consistent with the criteria for Policy SWDP31, or there are viability issues.

7.35. Use Class C2 housing (residential care homes, plus the high end care of extra care housing) and ‘sui generis’ non-self-contained student accommodation are not subject to Policy SWDP31, and so will not contribute to the supply of affordable dwellings

7.36. The uplift in land values achieved through Use Class C3 market housing provision is a key opportunity in this plan period to seek to meet much of the residue of the unmet affordable housing need, but viability constrains the ability of development to meet all of that need, as indicated in the Affordable Housing Economic Viability Study.

7.37. The target of 5,500 affordable dwellings is a minimum. The target is about 2,840 below the total level of potential need, but it is a realistic target for delivering affordable housing via the uplift in development value.

7.38. The supply of affordable housing is expected to be added to through:

a) changes in tenure within the existing stock, or from sources external to South Worcestershire, which will not need additional dwellings built, including:
   - change in stock in Worcester from market housing to private sector rent that is affordable
   - RSLs purchasing ‘existing satisfactory properties’ and acquiring properties via Mortgage Rescue

b) affordable housing is expected to be delivered through means that are allowed for by policy but not yet fully quantified so not counted towards the policy housing provision total at this time (ie they would be in addition to the 23,300); from
   - rural exceptions,
   - Neighbourhood Plans and Community Right to Build, and
   - delivery of affordable housing from financial contributions from small sites (less than 5 dwellings).

c) Other 100% affordable schemes. If built, these would raise the total supply of affordable housing counted towards SWDP2. The products listed below
are new and lack of national or local evidence about actual delivery precludes identifying a specific allowance in Table 4 provision at this time:

- RSLs building more ‘affordable rent’ housing without grant funding, by raising money on the financial market and funded by the affordable rents
- Local Authority New Build
- 100% grant funding/ affordable housing delivered through a range of mechanisms - currently eg the Affordable Homes Programme (replacing the National Affordable Housing Programme), Kickstart (HomeBuy Direct and NAHP).

7.39. As a result the market housing provision total and subtotals in Policy SWDP2 are calculated by subtracting only the potential for delivering 5,500 affordable dwellings through development value uplift from the 23,200 total, without further deduction for 100% affordable housing schemes. Monitoring will indicate whether the higher levels of affordable housing are delivered. The Plan Review is the appropriate mechanism to consider whether to amend the housing provision totals and/or the sub totals for market housing and/or affordable housing in the light of evidence about 100% affordable housing schemes delivery.

7.40. Appendix 6 sets out the detailed method and calculations underpinning that forecast of affordable housing need and the potential for development to deliver affordable housing.

Rejected scenarios

7.41. The Councils consider that the scale of growth based on Sensitivity Scenario 2 is the most appropriate scenario on which to base the plan. Appendix 5 considers the other housing growth scenarios that have been identified as alternatives, and the reasons for rejecting them in the light of current evidence.

7.42. **Significantly lower provision (8,000 to 13,000):** These would fail to support the housing of the local labour force, result in unmet housing need being displaced outside the plan area, and/or housing being allowed on appeal in less sustainable locations. The representations suggesting significantly lower provision targets appear to have misunderstood how housing provision is calculated, and have omitted the effects of falling household size within the existing dwelling stock. Basing housing need only on natural change is unrealistic.

7.43. **Significantly higher provision (24,000 to 30,000) –** the alternatives are based on either simply planning on the basis on projections without regard to valid environmental considerations, or they assume that affordable housing is only delivered through the uplift in development value, omitting other sources of affordable housing supply
7.44. **Significantly higher provision (30,000 to 40,000)** these alternatives are similar to the (24,000 to 30,000) alternatives, but include assumptions about meeting a higher level of unmet need from the West Midlands Metropolitan Area, or other unmet need. No evidence has been provided justifying the scale of unmet need which those alternatives suggest should be met by South Worcestershire.

7.45. **Significantly higher provision (40,000 to 55,000)**: As respondents agree in their representations, such levels of provision are unachievable.

**Rejected alternative distributions**

7.46. Appendix 7 also considers the alternative distribution options of housing growth and their implications, and the reasons for rejecting them:

- More at Worcester (no change in market towns/rural settlements)
- Less at Worcester (no change in market towns/rural settlements)
- Less at Worcester with the loss being met:
  - At Malvern, Droitwich Spa, Pershore and Evesham; or
  - Part at Malvern, Droitwich Spa, Pershore and Evesham and part at Category 1 Villages; or
  - In Category 1, 2 and 3 villages (reflecting current population proportions); or
  - Evenly spread across rural settlements
8. **Duty to Cooperate: cross boundary issues and unmet need**

8.1. Through extensive joint working and co-operation the three South Worcestershire Councils have addressed ‘larger than local’ cross boundary issues relating to housing provision, in accordance with the Framework Core Principles (para. 17). A paper setting out the evidence about the joint working and cooperation undertaken during plan preparation is being produced to inform decisions on the Publication Plan and submission, to demonstrate:

- compliance with the Duty to Cooperate requirement under the Localism Act 2011 and
- effective joint working on cross-boundary strategic priorities, meeting the test of soundness that the plan is effective (Framework Paras 17, 156, 178, 179, 182).

**Cross-boundary issues: Unmet requirements from within the plan area**

8.2. A level of housing growth in Malvern Hills local authority area based simply on the SHMA 2012 (Fig 6.22) Sensitivity Scenario 2 and its projected household growth level of 7,300, plus a 3% allowance for vacancies would equate to a provision requirement of 7,500 in the plan period. The Councils consider that this scale of growth would result in unacceptable adverse environmental impacts. The Plan is the opportunity to improve the position by redirecting some demand for housing to other parts of the plan area.

8.3. At over 600 people per year, Malvern Hills experiences the highest level on net in-migration in South Worcestershire (Demographics Background Paper Table 4). Figure 12 illustrates the pattern of net migration moves into Malvern Hills. No single migration stream particularly dominates the net inflow but after people moving in from overseas, the largest flows into Malvern Hills come from Worcester and Wychavon. There is also a flow in from the West Midland conurbation. There is then a smaller out-migration moving west and south further away from the Metropolitan Area and into the South West region.

8.4. These are long term trends that more than offset the large negative natural change in Malvern Hills but which put pressure on the dwelling stock. The Councils are concerned that if this continues it would lead to a scale of growth inconsistent with the quality of the local environment. The need to protect the Malvern Hills Area of Outstanding Natural Beauty AONB from the adverse environmental impacts of extensive, concentrated urban development in close proximity to the AONB constrains the scale of development of Malvern Town and in Malvern Vale.

8.5. Through joint working and co-operation, the South Worcestershire Councils are taking the opportunity in this plan period for planned intervention available to:
a) address the unmet need caused by the limited opportunities for urban growth in Malvern Hills District; and

b) consequently make additional housing provision at other sustainable locations in the remainder of the SWDP plan area above the level indicated by Sensitivity Scenario 2 for those areas. This fully accommodates the displaced requirement from unmet need in Malvern Hills, based on Sensitivity Scenario 2 levels. It aims to damp down the historic trend of large-scale net in-migration into the Malvern Hills area.

8.6. The 2011 Preferred Options document made provision for 4,156 dwellings in table 2, matching that with supply. In recognition of the need for higher total housing provision the Councils therefore propose to raise the policy provision in all three Sub Areas. Provision in Malvern Hills (outside the Wider Worcester Area) is now 4,900 dwellings for 2006 to 2030, 18% above the Preferred Options. Whilst this matches the scale of total housing provision proposed in the Submitted WMRA West Midlands RSS Phase Two Preferred Option (2007), Table 1, the SWDP has a longer plan period of 24 years. The SWDP annualised rate is 204 per year compared to the submitted RSS rate of 245 per year.

8.7. At 4,900 dwellings, the policy provision for Malvern Hills Sub Area is 2,600 below the level based simply on Sensitivity Scenario 2 for Malvern Hills District. The plan responds to this scale of potential unmet demand by redirecting the displaced housing requirement from Malvern Hills Sub Area to the Wider Worcester Area and Wychavon. Their higher policy provision accommodates the unmet requirement within the rest of the plan area during the plan period, thereby meeting the test of soundness in Framework para 182. The consequence is to reduce need to meet housing provision within much of Malvern Hills, and in particular to redirect demand from urban areas within Malvern in part to a higher order settlement (ie to the edge of Worcester city), and to the higher order settlements within the settlement hierarchy in Wychavon.

8.8. The plan addresses the consequences of accommodating the displaced Malvern requirement, in particular it acknowledges:

- the need for transport infrastructure and services to enable the labour supply to access employment in Malvern Hills,
- a meaningful proportion of the affordable housing in the Worcester South and West Urban Extensions will meet affordable housing need from Malvern Hills District
- the need to coordinate services provided by the County and District Councils and other providers to support communities in the Wider Worcester Area.
Cross-boundary issues: Un met requirements from within the plan area

8.9. The Framework (para 14) requires that the plan should meet objectively assessed needs, subject to specified caveats. Long term trends of population flows (migration) are one indicator of the pressure to meet ‘need’. Migration arises from international moves and internal moves. The latter encompasses interregional and intra regional moves. The latter includes movement between the 3 plan sub areas as well as moves between South Worcestershire, the rest of Worcester and other parts of the West Midlands. More information about migration is set out in Sections 3.2 to 3.4 of the SWDP background paper.

8.10. The Framework (para 182) also requires that the plan is ‘positively prepared’ if it is to meet the test of Soundness. It refers to seeking to meet objectively assessed development, including the ‘unmet requirement’ from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

8.11. Historically outmigration from the West Midlands has flowed into South Worcestershire. The largest net population and hence household flows (450 people per year) into South Worcestershire come from the West Midlands Metropolitan Area (Demographic Background Paper Fig 11). This is about half of the overall historic trend of net in-migration of 816 people per year (2005-2010) into this plan area. Of this 228 per year came from Birmingham. This is a fairly well-established pattern, with a ‘ripple-effect’ of people moving out of urban areas in favour of nearby surrounding more rural areas, and then those areas in turn experiencing a smaller net out-migration to other rural areas further away from the urban areas.

Joint working

8.12. The South Worcestershire Councils diligently undertook joint working through evidence gathering and during plan preparation, to identify housing requirements. As well as cooperation between the authorities, the three Councils also cooperated with and collaborated with adjoining authorities and other authorities in particular those in the West Midlands Metropolitan Area and North Gloucestershire to consider strategic priorities for the delivery of homes, including cross-boundary housing requirements.

Sensitivity Scenario 2

8.13. The Natural Change scenario (SHMA 2012 Fig 6.4) projects household growth of 10,430, equivalent to 10,750 dwellings. Deducting this from the 23,300 dwellings increase under Sensitivity Scenario 2 means that 12,450 dwellings increase relates to net in-migration (from all moves). This equates to over half of the Sensitivity Scenario 2 growth for South Worcestershire.

8.14. As a result the evidence demonstrates that the proposed housing provision, based on SHMA Sensitivity Scenario 2 accommodates
substantial net in-migration into South Worcestershire which exceeds that due to ‘natural change’ in the plan area. The South Worcestershire Councils consider that this is a reasonable scale of net in-migration to accommodate during the plan, consistent with the plan’s objectives.

1. Unmet need from the West Midlands

8.15. Representations from Birmingham City Council and the West Midlands Planning and Transportation Committee (for the 4 Black Country LPAs; Birmingham City, Solihull Coventry) sought to have the total SWDP housing provision increased as well as the employment land provision reduced. Neither respondent’s representations stated there was ‘unmet need’ as the result of their relevant emerging plans’ housing provision policies or that the consequences of their plans necessitated specific provision in South Worcestershire.

8.16. However, other respondents assert there is the potential for unmet housing requirements from the West Midlands, including 30,000 from Birmingham, and South Worcestershire should meet this in part.

8.17. As well concern over the impact on South Worcestershire, the South Worcestershire Councils are concerned that significant over provision of housing in South Worcestershire could undermine delivery of the West Midlands Urban Renaissance Strategy. Since 2004 that Strategy has looked to develop urban areas in the West Midlands in such a way that they can increasingly meet their own economic and social needs in order to counter the unsustainable movement of people and jobs. This includes the need to direct development to those parts of the West Midlands needing housing. Successful implementation of that strategy would reduce the risk of unmet need and lower the pressure for out-migration by enabling more households to be housed at the conurbation. Quality development and affordable housing at the conurbation would help to retain population.

8.18. Appendix 8 provides evidence of the progress being made to produce local plans in the West Midlands Metropolitan area. Only the Black Country Core Strategy has been adopted. The other plans, including those for Birmingham and Solihull, are still in preparation. They could make higher provision, as was suggested by the WMRSS Panel Report. The Focused Sub-Regional Review of RSS Evidence Base to inform the South Worcestershire Joint Core Strategy (Nov 2010)

8.19. Redirecting displaced requirement to South Worcestershire effectively leapfrogs the West Midlands Green Belt and the Districts in North Worcestershire, thus pushing growth to areas further away from the regional focus for employment and the concentration of business in the Metropolitan Area.

8.20. A significant proportion of those displaced households would continue to need access to jobs in the West Midlands metropolitan area. This can be expected to generate significant movement, as longer distance commuting
to work, contrary to Framework para 34 ("developments that generate significant movement are located where the need to travel will be minimised")

8.21. Birmingham City Council asserts that the SWDP’s ‘under-provision’ may put increased pressure for Birmingham to provide for additional new housing, beyond the city’s capacity for sustainable development on predominantly brownfield sites. However, the plan-making processes for Birmingham City and parts of the West Midlands are still in progress.

8.22. To date it appears unreasonable for South Worcestershire to accommodate further unmet requirement above the substantial in-migration and household levels already catered for by amended SWDP. The relevant evidence available has not yet demonstrated that

a) new greenfield urban extensions in the West Midlands metropolitan area cannot be delivered in the long term which would reduce the need to redirect un-met demand to other areas; or

b) redirecting displaced housing requirement from their areas to South Worcestershire is more sustainable than directing that displaced requirement to urban extensions within the West Midlands metropolitan area (where access to major urban public transport systems can support short distance commuting) and/or other adjoining areas.

8.23. LPAS in South Worcestershire will continue to

a) have the opportunity under Duty to Cooperate to assess emerging plans and evidence that becomes available from the West Midland Metropolitan Area authorities; and

b) assess whether the evidence is robust, and proportionate & whether it demonstrates that the West Midland Metropolitan Area can make adequate provision through sustainable urban extensions using Garden City principles and major urban public transport systems, or have unmet demand met in other adjoining areas such as North Worcestershire.

2) unmet need from North Gloucestershire

8.24. Tewkesbury Borough Council supports SWDP approach & agrees that at this time 'land at Mitton' is not required to meet development needs of the South Worcestershire area. The 3 North Gloucestershire Councils did not request that North Gloucestershire’s needs be met in South Worcestershire, nor did they provide evidence of unmet housing need in their area.

8.25. Current evidence indicates that there are options available to accommodate the needs of Cheltenham, Gloucester and Tewkesbury Joint Core Strategy within that plan area. There is therefore no forecast unmet
requirements at Tewkesbury which need to be met within the SWDP plan area.

3) Other adjoining areas

8.26. No representations were received from Stratford upon Avon District Council, Shropshire Council, Warwickshire, or Cotswold District Council regarding housing provision, nor were there any specific representations regarding unmet need from those areas.

4) Rest of Worcestershire

8.27. No representations were received from Wyre Forest, Redditch or Bromsgrove LPAs about the overall provision for housing or employment, nor did they provide evidence of any unmet requirements within their areas that need to be met in South Worcestershire.

Unmet Need -Conclusions

8.28. On the basis of the available evidence and the assessment above, at this time there is no compelling evidence of unmet housing requirements to 2030 from adjoining authorities or other areas which it would reasonable to accommodate within South Worcestershire, over and above that catered for by the revised scale of provision (23,200 dwellings).
9. **Future housing supply**

**SHLAA**

9.1. The South Worcestershire Councils have prepared a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period, in line with Framework Para 159. This is a key source of evidence for assessing whether sites are available, deliverable or developable.

9.2. The latest published SHLAA is the Strategic Housing Land Availability Assessment (SHLAA) Third edition May 2011 is a joint report produced by the three South Worcestershire Local Authorities. It was available in time to inform the Preferred Options. This the Third edition report is a further update on the SHLAA sites submitted since the last SHLAA document was published in June and October 2008 and subsequently the last update published in January 2010. This report is an abridged version and needs to be read in conjunction with the last update for a full explanation of the SHLAA process and methodology (Second Edition: January 2010).

9.3. It is intended that a full update of the SHLAA will be provided in 2012.

9.4. The SHLAA report provides background evidence on the potential supply of housing land in South Worcestershire. **It is a technical report and is not a decision or policy making document. It does not allocate land for housing.** It is a technical background study of potential sites for housing. It provides a database of possible sites for development, an assessment of their development potential and deliverability to inform later potential housing site allocations. The document has provided background information to the South Worcestershire Development Plan (and previously the Site Allocations Development Plan).

9.5. The SHLAA helps to inform the selection of appropriate housing allocations which will be subject to public consultation during the preparation of the South Worcestershire Development Plan.

9.6. The SHLAA tables represent a thorough assessment of the sites according to the SHLAA development methodology supported by Government guidance.

9.7. During the 3rd Update, further scrutiny of all SHLAA sites has taken place and where a site proforma or sufficient representation has not been made by a land agent or owner indicating that the site is available, these sites have been now marked as “availability unknown” and ruled out accordingly on the SHLAA maps.

9.8. The results of SHLAA Third Edition are summarised in SHLAA Table 20, showing the scale of potential capacity on sites which have been considered by the SHLAA Panel in terms of their availability. The total capacity is nearly 62,000 potential dwellings. This is would far exceed the amount of housing provision set out in amended Policy SWDP2. However,
this is all sites ‘available’, without further policy consideration. It includes sites at locations remote from or not reasonably close to the settlements in the settlement hierarchy.

### Table 20 Summary of availability: Panel Sites

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<th>Availability</th>
<th>Towns</th>
<th>Strategic sites (Bevee, Hindlip etc.)</th>
<th>Edge of town/city</th>
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<td>4,063</td>
<td>500</td>
<td>0</td>
<td>1,763</td>
<td>792</td>
</tr>
<tr>
<td>Grand total</td>
<td>ha</td>
<td>827.9</td>
<td>88.05</td>
<td>7.26</td>
<td>886.5</td>
<td>172.7</td>
</tr>
<tr>
<td></td>
<td>dwellings</td>
<td>22,447</td>
<td>2,497</td>
<td>403</td>
<td>25,279</td>
<td>5,165</td>
</tr>
</tbody>
</table>

*Please note that a small number of sites are excluded from this calculation as they have yet to go to a developability panel.

9.9. The Strategic Housing Market Assessment 2012 took a cautious approach to the theoretical housing capacity within Worcestershire, as part of the analysis in relation to the scenarios. By excluding much of the more ‘remote’ detached SHLAA sites, the SHMA arrives at a theoretical capacity figure of 18,400 (SHMA Fig 3.14). This is 4,000 above the 13,400 dwellings unidentified supply in amended Policy SWDP2, and which would be a reasonable margin, subject to the detailed policy and site considerations which the Councils make when identifying sites.

*Figure 3.14: Theoretical Housing Capacity within Worcestershire*

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Available Now</th>
<th>0-5 years</th>
<th>5-10 years</th>
<th>10 years+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bromsgrove</td>
<td>452</td>
<td>235</td>
<td>2,837</td>
<td>5,028¹⁹</td>
<td>5,324²⁰</td>
</tr>
<tr>
<td>Redditch</td>
<td>573²¹</td>
<td>684</td>
<td>1,103</td>
<td>782</td>
<td>3,142</td>
</tr>
<tr>
<td>Wyre Forest</td>
<td>225</td>
<td>1,750</td>
<td>1,200</td>
<td>575</td>
<td>3,750</td>
</tr>
<tr>
<td>South Worcestershire</td>
<td>630</td>
<td>11,164</td>
<td>2,825</td>
<td>3,737</td>
<td>10,384</td>
</tr>
<tr>
<td>Worcestershire</td>
<td>1,888</td>
<td>13,853</td>
<td>7,965</td>
<td>5,094²²</td>
<td>28,800</td>
</tr>
</tbody>
</table>

Source: Local Authority SHLAA datasets and GVA analysis, 2011
9.10. The May 2011 SHLAA predates the major changes introduced by the Framework to the way housing supply can be assessed. The Fourth SHLAA (to be produced in 2012) will be able to take account of the changes introduced by the Framework, and will inform the Councils’ decisions on the Publication Plan. The potential capacity position will be reassessed at that point.

Components of Supply

9.11. For the purposes of this Background Paper, the Councils have used the latest annual monitoring available – as at 31 March 2011. The Councils consider that their annual monitoring provides the best available, information However, to ensure that the plan is based on up to date information, the housing supply calculations have been updated to incorporate the latest completed annual monitoring information. This provided the opportunity to check and where necessary correct information about completions.

9.12. The Councils intend updating the supply analysis using 2012 housing monitoring information when this has been collated and analysed, in time to inform the preparation of the Publication Plan. In order not to delay the plan making process, the consultation on changes can reasonably be informed by the 2011.

Completions

9.13. Appendix 9 sets out the evidence of the level of completions between 2006 and 2011, informed by annual monitoring. There were 3,957 dwellings (net) counted as completed as at 31 March 2011.

Commitments

9.14. Appendix 9 sets out the evidence of the level of completions between 2006 and 2011, informed by annual monitoring. There were 4,752 dwellings (net) counted as commitments as at 31 March 2011, after a discount of 4% for non-delivery is applied.

Discount for non delivery

9.15. The Preferred Options report applied a 2% discount for non-delivery of the outstanding commitments. Whilst the recent challenging economic circumstances have seen house-building rates slow down in South Worcestershire, sites continue to come forward and dwellings built. Nevertheless, the Councils consider that in the light of the challenging economic climate, it would be prudent to double this discount to 4% and apply this to all sub areas to ensure consistency across the plan area. The footnote to SWDP 2 should make clear that the 4% discount applies to all sub areas.

9.16. Despite the current challenging economic climate South Worcestershire is not experiencing lapse rates of 10-15% which some respondents propose.
Even if such rates occur elsewhere, it is not appropriate to apply them here. Discount rates are not the same across the country because local circumstances differ. The evidence available from housing land monitoring does not show that a significant proportion of permissions in South Worcestershire have been implemented (i.e., start made on site) but no dwellings completed.

9.17. The Plan does not assume that recession/low economic performance will continue for the next 20 years to 2030. The Plan has to respond to long-term economic cycles and anticipates future improvement in economic performance, and improvements in house-building delivery. It is not appropriate to base the plan on short-term, recession-based perspectives.

9.18. Lapse rates have been applied to outstanding commitments. But it is unnecessary and inappropriate to apply lapse rates to allocations. The appropriate mechanisms for addressing non-delivery of allocated sites are through contingency provisions in the plan and through plan monitoring and review.

9.19. Permissions can be given and not lapse, if renewed permissions are sought. It is the commercial decisions of developers and builders that determine whether dwellings are started and completed. Raising the lapse rate to enable more planning permissions to be given does not automatically mean that development occurs. The challenging market conditions are the principal reason for developers taking commercial decisions to delay the start of house-building and to manage their land-banks.

9.20. The amended plan makes appropriate allowances for non-delivery through:

   a) excluding sites where there is evidence that the site will not come forward, (evidence in SHLAA, consultation representations, and subsequent discussions with landowners and developers
   b) making cautious density assumptions in the site capacity analysis
   c) applying a 4% discount to commitments as at April 2011
   d) making use of indicative housing numbers for site allocations (more may come forward on a site subject to policy).

Windfalls

9.21. When the Preferred Options were published PPS3 precluded taking windfalls into account in the first 10 years of the plan period if there are no ‘exceptional’ circumstances. The preferred Options only included a small allowance for windfalls after the first 10 years, as allowed by PPS3.

9.22. Since publication of the Preferred Options, the Government has published the National Planning Policy Framework, which replaces the previous guidance in PPS3 Housing. The Framework does not preclude including an
allowance for windfalls in the first 10 years. The Framework (para 48). allows the Local Planning Authorities to make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. The Councils consider that the evidence is compelling and have therefore assessed the potential for small windfall development. (Sites of 9 or less dwelling and not on residential gardens). Policy SWDP2 includes a forecast of small windfall delivery as one component in the housing supply policy.

9.23. Appendix 10 sets out the evidence about the delivery of small windfalls taking into account historic windfall delivery rates and expected future trends. This excludes housing development on residential gardens.

9.24. Provision relating to large windfalls has already been taken into account through commitments and sites identified for allocations based on the Strategic Housing Land Availability Assessment. The supply calculations do not include forecast for future large windfalls. These would add to the volume of supply forecast.

Bringing Empty Homes Back into use

9.25. The Framework encourages bringing empty homes back into use (para 51) and this means that they become available to meet part of the need for housing which would otherwise have had to be met by new build or conversion.

9.26. Assessment of the South Worcestershire housing supply to meet the provision requirement should take account of empty homes. The South Worcestershire authorities are identifying and bringing back into residential use empty housing and buildings in line with the Worcestershire Housing Strategy. The Worcester Empty Homes Strategy (2005-2008) objective: To reduce the number of long term empty homes and increase the housing supply in Worcester by bringing them back into use.

9.27. As of 1 April 2004 there were a total of 1170 empty properties in Worcester, 2.86% of the 40,921 properties in the City. Of this total 346 were identified as long term empty properties.

9.28. More recent information from the English Housing Stock Condition Survey 2010 identifies that the number of empty homes in the plan area. These includes both properties empty for less than 6 months and more than 6 months:

<table>
<thead>
<tr>
<th>Location</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worcester</td>
<td>1216</td>
</tr>
<tr>
<td>Wychavon</td>
<td>1392</td>
</tr>
<tr>
<td>Malvern</td>
<td>1176</td>
</tr>
</tbody>
</table>

9.29. Evidence about Worcester indicates that about two thirds of empty homes are empty only for a short time (less than 6 months) e.g. when houses are
sold, renovated/repaired, or new tenants found. This is part of the normal ‘churn’ in the housing market, as houses are bought and sold, or relet. These dwellings were not at risk of being lost to supply and cannot be counted again as a net addition to supply when reoccupied.

9.30. Of those empty for more than 6 months, advice from Housing teams suggest that about one third are subject to litigation which makes them unavailable for local authority action. Another one third are taking more than 6 months to renovate but will eventually come back into the housing supply without intervention.

9.31. That leaves only one third which would otherwise remain empty, could become derelict with time and eventually be lost to supply. It is these dwellings which need intervention in order to be brought back into use in the housing supply.

9.32. Evidence on the delivery of bringing empty homes back into use within the three Districts is set out in Appendix 11.

9.33. Some respondents challenged the need for the quantity of new housing proposed in the Preferred Options plan, asserting that much better use could be made of existing housing stock. Whilst there are opportunities to bring empty homes back into use, the authorities cannot control the overall use made of existing private sector dwelling stock. Opportunities for compulsory purchase are limited by the current financial constraints on Local Authority finances. The authorities and RSLs’ continue to improve their performance in making better use of their stock through nominations, eg enabling transfers ‘within Authority’ to match occupants’ needs better. This is being complemented by new Government schemes which allow easier transfers between authorities. There are very low vacancy levels in housing owned by local authorities and by housing associations. Owing to the urgent need to house people, their properties are vacant for only a very short time for example when completing any necessary repairs/refurbishment.

9.34. Some respondents also suggested that there are large numbers of empty rooms in the existing dwelling stock and better use could be made of them. They want this to be taken into account in the supply calculations, and so reduce the number of additional dwellings to be provided. However, this suggestion is impractical. Local authorities cannot require property owners to rent out rooms or to forcibly billet people in need of housing in those properties. There are existing fiscal means which encourage homeowners to rent rooms. There is no evidence at this time to justify the plan’s housing supply calculations anticipating a large change in the scale of this component of potential accommodation.

Additional supply to allow for an increase in second homes

9.35. The current turbulent economic conditions are not likely to have triggered a significant increase in second homes at this time. The plan assumes that the level of second homes will not change significantly to 2030 and so
making a specific addition to the housing supply to address the change is not necessary.

**Release of C3 dwellings**

9.36. Paragraphs 3.36 to 3.43 above takes into account issues relating to the need to consider extra care housing. An amendment to Policy SWDP2 makes an allowance based on 20% of the extra care housing need (2500) being met in the plan period through C2 units, releasing about 500 dwellings in South Worcestershire. The different demographic structure in Worcester led to a forecast 100 dwellings from this source being identified for Worcester compared to 200 dwellings being released in both Wychavon and in Malvern Hills.

**Self-build/custom build**

9.37. One housing subsector which the Government advocates is self–build/custom build⁶. The housing strategy for England: Laying the Foundations has key Housing Strategy Actions which include:
- Ask Councils to establish the demand for Custom Build Housing in the plan area and take positive steps to facilitate it
- Maximise opportunities for custom home builders to access land which central government is releasing as part of the public land disposals programme
- Promote larger scale locally planned custom build home developments.

9.38. CLG is making available up to £30M of new funding to support provision of short term project finance on a repayable basis through the new Custom Build Homes programme. Government is working with industry partners to publish a self-build housing action plan and establish an industry-Government Implementation Group. The focus is on
- More builders offering a custom build option/more innovative solutions
- More grouped projects and more serviced plots
- Larger scale planned development.

9.39. Para 50 of the Framework states that ‘To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:
- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older

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⁶ CLG define custom build as Homes built by individuals or groups of individuals for their own use, either by individuals for their own use, either by building the home on their own or working with builders
people, people with disabilities, service families and people wishing to build their own homes;)

9.40. Policy towards custom built housing would need to the following:

- Is there any prospect for self-builders to become involved in the major development sites, where volume house-builders have historically been dominant?
- Is custom/self build more suited to smaller sites or single plots?
- What percentage of allocated sites should be self build?
- Is custom/self build for ‘investment’ or for is it about meeting ‘need’ and delivering a social product (and if the latter can it be retained in perpetuity?) - Are they ‘affordable’?
- How will LPAs/LAs make land available and under what circumstances (serviced, accessible, in what locations etc) and at what discount (if any). Can or should it be restricted to affordable housing and can this then be retained as affordable housing in perpetuity?
- Self build/custom build is still C3 housing. Would Councils consider locations for self build where other forms of C3 housing would not be considered (other locations for example are considered for C2 housing as it provides employment)
- Should policy towards S106 contributions for affordable housing etc be relaxed for custom build housing in order to encourage this type of housing to come forward?
- Is the key route for delivering custom housing through neighbourhood planning and Community Right to Build Schemes, not through the Local Plan route – in which case should the Local Plan include or exclude policy to encourage self build/custom build.

9.41. The Strategic Housing Market Assessment 2012 did not address the matter of self build/custom build. Annual monitoring does not yet provide local evidence on this matter. At this time the South Worcestershire Councils do not have sufficient evidence to develop specific policy towards custom built housing, and Policy SWDP 2 does not forecast the scale of custom built housing as part of the supply calculations.

Site Allocations

9.42. Allocating sites for housing development is the principal means for the plan to identify additional housing land supply towards meeting housing provision to 2030. Allocation provides more certainty, can be subject to testing through Sustainability Appraisal and through the Consultation and Examination process. They count towards deliverable or developable sites, depending on when the evidence demonstrates likely completion of dwellings, consistent with Framework para 47.

9.43. Lapse rates have been applied to outstanding commitments. But it is unnecessary and inappropriate to apply lapse rates to allocations. The appropriate mechanisms for addressing non-delivery of allocated sites are
through contingency provisions in the plan and through plan monitoring and review.

9.44. As stated in Table 4 of the Preferred Options plan, housing figures for allocations are indicative. They may alter when the site details are determined through the development management process.

9.45. Detailed design may result in delivery of more dwellings. For the purposes of the supply calculations, a more cautious approach to the housing numbers is taken, to reduce the risk of making insufficient provision through allocating sites.

9.46. This background paper does not provide the justification of individual site allocations. However, it compares the scale and broad distribution of housing growth that would result from the development of site allocations proposed in the Preferred Options and in the Schedule of Changes.

<table>
<thead>
<tr>
<th>No of dwellings from Site Allocations (indicative)</th>
<th>SWDP Preferred Options</th>
<th>Schedule of Changes</th>
<th>Net change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worcester</td>
<td>5201</td>
<td>5320</td>
<td>119</td>
</tr>
<tr>
<td>Malvern Hills</td>
<td>1907</td>
<td>1891</td>
<td>-16</td>
</tr>
<tr>
<td>Wychavon</td>
<td>3836</td>
<td>3650</td>
<td>-186</td>
</tr>
<tr>
<td>South Worcestershire</td>
<td>10944</td>
<td>10861</td>
<td>-83</td>
</tr>
<tr>
<td>Total provision</td>
<td>20361</td>
<td>23200</td>
<td>2839</td>
</tr>
<tr>
<td>% of total provision</td>
<td>54%</td>
<td>47%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

9.47. Appendix 102 lists the Site allocations in the Schedule of Changes. It should be noted that some sites previously proposed for allocation in the Preferred Options plan, have since been approved and are now counted as commitments.

**Flexibility**

9.48. The plan provides sufficient flexibility regarding housing provision and supply.

9.49. Housing provision is expressed as “about 23,200” in order to allow an appropriate level of flexibility.

9.50. Total supply from identified sites and realistic allowances for windfalls, empty homes, and C3 release identified in Table 4 is 23,488 dwellings.

9.51. This exceeds the provision requirement by nearly 300 dwellings.

9.52. The scale of planned supply is consistent with the Plan’s vision, objectives and strategy, informed by the evidence, and is therefore the plan is to be consistent with Framework para 182 (ie, based on a strategy which seeks to meet objectively assessed development).
9.53. The scale of allocations, combined with the other components of housing supply is sufficient to enable the plan to provide sufficient certainty and flexibility. The scale of allocations improves the level of certainty regarding delivery without undermining the ability to be able to respond quickly to changing circumstances.

9.54. In addition, un-quantified supply from affordable housing from rural exceptions, Neighbourhood Plans and Community Right to Build, plus contributions from small sites will add to the potential surplus, and provide further flexibility regarding housing supply in South Worcestershire.

Maintaining a 5 year housing land supply and buffer

9.55. The plan should set out a housing implementation strategy for the full range of housing objectives. This will be expressed through the Stronger Community Objectives and relevant policies. In accordance with Framework para 47 The housing implementation strategy must describe how the Councils will maintain delivery of a five-year supply of housing land to meet their housing target(s), eg Maintaining a 5 year supply in each subarea ; Priority for reuse and development of brownfield land – towards meeting a brownfield target

9.56. SWDP was amended to update the policy and written justification regarding the maintenance of a 5 year housing land supply to be consistent with the Framework para 47. This requires Councils to have a 5% buffer moved forward from later in the plan period,( unless there is evidence of persistent under delivery when the buffer would have to be 20%).

9.57. Evidence in Appendix 9 demonstrates that there hasn’t been persistent under delivery when housing completions are considered over a reasonable timeframe, and therefore the 5% buffer is used. The 5% is drawn forward from the end of the plan period, it is not additional to the proposed amended housing provision total of 23,200.

9.58. In line with NPPF para 48, the proposed amendments to SWDP make an allowance for windfall sites in the five-year supply as there is compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply.

9.59. To be consistent with National policy, the Councils should identify (and update annually) a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period),( unless there is evidence of persistent under delivery when the buffer would have to be 20%). This ensures choice and competition in the market for land; to be consistent with Framework para 47 (2nd Bullet Point), and to provide sufficient certainty regarding housing delivery In accordance with Framework para 47. The housing implementation strategy must describe how the Councils will maintain delivery of a five-
year supply of housing land to meet their housing target(s). There will be a 5 year housing land supply assessment for each of the sub areas (as their provision is non-transferable).

9.60. The buffer referred to in Framework Para 47 relates to the 5 year supply calculations. The buffer is ‘moved forward from later in the plan period’ it is not an additional 5% or 20% on top of the overall planned provision for the entire plan period.

9.61. Appendix 13 will provide a base-point housing trajectory for market and affordable housing in the plan, to demonstrate maintenance of the 5 year housing supply, and to monitor delivery against. This is necessary, to be consistent with Framework para 47 Bullet point 4 and to provide clarity. The trajectory will illustrate the expected rate of housing delivery for the plan period.

9.62. Development previously developed land has been high in recent years (see chart below from the 2010 South Worcestershire Housing Land Availability).

![Chart](chart.png)

Figure one: AMR Core Indicator H3 - the number of gross new dwellings being built upon PDL since 2005/6.

9.63. Whilst a significant proportion of urban capacity allocations and windfalls are likely to be on brownfield site, the proportion on Greenfield will rise, as development of urban extensions is necessary to achieve the housing provision requirement. A policy aspiration target of 50% is proposed in the amended plan.
10. **Sustainability Appraisal**

10.1. Sustainability considerations informed the content of the SWDP from the start, through the scoping and testing, and the way that the results of the sustainability appraisals at regional and local levels have helped to shape the plan.

**RSS Housing Provision**

10.2. During the early stages of plan preparation, the quantum of housing growth was being determined through the RSS process. The implications of the sustainability appraisal relating to the RSS housing provision policy are summarised in the Focused Sub-Regional Review of RSS Evidence Base to inform the South Worcestershire Joint Core Strategy Background Paper 1. This analysis is set out below.

10.3. Throughout the RSS Phase Two process and at the EiP, concerns were expressed about the impact of additional housing on issues such as traffic levels, greenhouse gas emissions, water demand and supply, flood risk and development on greenfield land. Whilst acknowledging these concerns, the RSS Phase Two EiP Panel was of the view that, as a general rule, these issues are affected by many other factors than the level of housing development (RSS Phase Two EiP Panel Report 2009, para 3.49).

10.4. The EiP Panel concluded that, from sustainability perspective, there was no simple answer about what the right level of housing provision should be. The Panel highlighted that there was a need to balance environmental concerns about the impact of housing with the risk of not meeting the housing needs of the population and associated social and economic impacts. In other words, not providing enough housing in one locality could mean that environmental effects would simply be transferred to somewhere else (based on the assumption that a given level of demographic need will remain which would then have to be met somewhere else) (ibid., para 3.50). The Panel also saw the risk that planning for too low a rate of development (with a view of ‘topping up’ provision in an incremental way should shortfalls arise in the future), could hamper planning ahead strategically, e.g. planning the delivery of necessary supporting infrastructure (ibid., para 3.51).

10.5. On the other hand, the EiP Panel also expressed some concerns about an approach which provides land ‘ahead of need’. The Panel accepted that “it is incontrovertible that development, wherever it occurs, has environmental impacts. It follows that for the RSS to be sustainable, it

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7 Sustainability and environmental matters were covered in more detail in Background Paper 4, as part of the suite of Background papers on the RSS. This includes key issues arising from the Sustainability Appraisal (SA) and Habitat Regulations Assessment (HRA) work undertaken as part of the RSS Phase Two Revision.
should not provide for more development or more damaging development than necessary. We do not consider that there is a danger of too many houses being built – in the long run market forces would not allow that to happen. But an over-liberal approach to provision would be likely to bring in less sustainable options for development. To that extent we accept the WMRA case that too much provision, particularly away from the MUAs, would adversely affect the strategy and the region” (ibid., para 3.52).

10.6. Overall, the Panel came to the view that it was not simply an issue of the overall regional quantum of housing to be provided but they stressed the importance of ensuring the right location of housing (e.g. focus on previously developed land, avoiding areas at risk of flooding) and building standards (e.g. energy efficient design and construction) in order to minimise or mitigate negative environmental and other impacts (ibid., para 3.50).

10.7. The above discussion at the RSS Phase Two EiP focused largely on sustainability issues relating to the regional quantum of new housing and, to some extent, its distribution. With many of these issues, there are limits to what can be considered and what information is available at strategic level. As required by Government policy and guidance, further considerations of environmental and other impacts will be required at the local level.

South Worcestershire Joint Core Strategy

10.8. The Sustainability Appraisal includes an SA objective – to provide good quality housing for all. The policy/option is tested for does it

- Deliver affordable and sustainable housing in urban and rural areas and consistent with local character
- Provide for an appropriate mix of dwelling size, type, density and phasing to meet local needs
- Provide a range of adaptable housing that meets the needs of specific groups (eg elderly, young, disabled)

SWJCS -Issues and options

10.9. The Stronger Communities objectives included the objective ‘To ensure that enough land is made available in sustainable locations in order to meet the housing and economic needs of south Worcestershire in the period to 2026 as defined by the WMRSS’. At the SWJCS Issues and Options stage the October 2007 SA Compatibility Analysis (Appendix II) tested the JCS objectives against the SA Framework Objectives. The compatibility analysis found that over all these objectives are largely compatible with sustainability objectives, but some uncertainties exist particularly around the volume of land to be provided for housing and the potential locations for housing (the SA examined those issues further).
Under the Strategic objectives for meeting the needs of all generations – is the objective for providing new/refurbished homes to a mix of housing types and tenures which cater for a range of needs and aspirations, including those in need of affordable housing in order to establish sustainable communities. This performed strongly against sustainability criteria relating to strengthening communities, housing, infrastructure, health and the economy, but there were uncertainties against some other SA objectives.

**SWJCS –Preferred Options**

The Councils produced the SWJC Preferred Options in May 2008. Table 1 of the Preferred Options sought to demonstrate how much development expected by the RSS has been provided and what further development is required. A detailed sustainability appraisal was undertaken of the PO document, this included revisiting the updated vision and strategic objectives. Each PO was assessed against the full SA Framework objectives. Commentary was provided on how the PO would progress SA objectives, and where appropriate, recommendations for enhancement and mitigation was provided. The POs document presents comments on potential alternatives (as considered through the Issues and Options stage, including by the SA) and provides a brief rationale for why the alternatives [where available] are not considered reasonable options. However, as the quantum and strategic distribution by District was being determined by the RSS and had been subject to separate SA, the SA for the SWJCS did not appraise the RSS requirement figure or alternatives.

**SWDP –Preferred Options 2011**

The Sustainability Appraisal (SA) Report for the SWDP Preferred Options 2011 concluded that the policy supports SA objectives to address housing requirements for all sectors of the community. With regard to SWDP2:

“6.16 The policy proposals for employment, housing and retail supply provide good support for SA objectives aiming to promote employment and improve skills and opportunities for local people. In particular the approach to ensure that where possible new employment and housing development is co-located and/or related enhances economic opportunities and improves equality of access. Community objectives are also supported in the long term by the policy which directs growth proportionately with the highest volume of homes and employment land allocated to existing urban and market centres. There is the potential for some short term disbenefit to existing communities arising from the disturbance effects on new development. The policy also ensures that the identity of the smaller/ rural settlements is maintained by managing development volumes, but also supported in the long term by allowing new/proportionate growth in suitable areas. Good support for health objectives by placing developments where services exist or can be enhanced/ established for communities.”
6.17 The policy supports SA aims to protect biodiversity and landscape/ GI assets by focusing major development in or adjacent to urban areas. Towns and small villages will support reduced/ proportionate levels of development, which in combination with GI and sustainable development policies will provide good protection of biodiversity assets and locally valued landscape features. Effects on water are uncertain and whilst policy protection for water resources and quality is in place, overall effects will depend on the phasing and individual features of site based development.

8.11 The policy is largely positive for all the groups as it provides support to the development and growth in employment opportunities across the plan area with a particular focus on urban areas. Access to employment opportunities is dependant on a transport system that provides equality of access and there is some uncertainty for disabled people where employment locations are developed in areas with limited transport options (e.g. technology parks, or city edge locations limited to road access). It is recommended that all new developments are required to address travel/ transport options, and work with transport providers to ensure that the issues faced by disabled travellers are appropriately catered for.”
11. **How will the South Worcestershire Development Plan achieve the Housing Implementation Strategy for South Worcestershire – preferred options policy**

11.1. The South Worcestershire Development Plan will contribute to boosting housing supply through planning for growth to meet housing provision target (SWDP 2). Planning contributes to creating the right conditions for boosting supply. Delivery of housing however depends on developers and house-builders to implement planning permissions, and commercial decisions they make in the light of the state of the housing market.

11.2. The plan identifies sufficient supply to meet the full objectively assessed needs for housing and affordable housing in the housing market area, consistent with the SWDP being an economic prosperity led planning Strategy. Provision target for affordable housing is included in the policy. SWDP 2 and Policies SWDP 30 (Housing Mix) and SWDP 31(Affordable housing) and new policy on Housing to meet the needs of older people.

11.3. Additional affordable housing through the Rural Exceptions policy is additional to the provision in SWDP 32, as are other categories of accommodation such as student accommodation, residential moorings and residential care homes (SWDP 30 and SWDP 41). Replacement dwellings (SWDP34) and dwellings for rural workers (SWDP 35) will be included in the Supply under SWDP2 (counted on a net basis).

11.4. The plan meets the provision requirement through planning for supply, including identifying sites by allocating land for housing development which is expected to be developed and housing completed by 2030. (SWDP 2 and Site allocations policies)

11.5. The scale and broad distribution of housing development addresses the issues of meeting development requirements that cannot be wholly met within Malvern because of the need to protect nationally recognised environmental assets. Collaborative working enabled this approach to be taken. (SWDP 2 and new policy on the Area of Outstanding Natural Beauty)

11.6. In seeking to promote sustainable development, those allocations include urban capacity sites within the existing built form, making best use of brownfield land to bring about regeneration and to maximise use of existing infrastructure. (New policy on Making effective and sustainable use of land)

11.7. Greenfield site development on urban extension allocations and village allocations will be necessary as the capacity within the available brownfield sites is not sufficient to meet all the uncommitted residue of housing provision. This is necessary to ensure that a 5year supply of housing land can be maintained (SWDP2)
12. **How has Consultation Informed the Policy?**

12.1. Issues about housing provision and supply have been raised at the earlier South Worcestershire JCS stages and at the SWDP Preferred Options consultation.

Reponses to Public Consultation on Issues and Options – November to December 2007

12.2. The following Key sections of The Issues and Options consultation document addressed housing provision and supply, but due to the legal requirement at the time for general conformity with the Regional Spatial Strategy the document focused on how to meet the housing targets being set by the RSS:

5.3 The Joint Core Strategy will have to respond to the housing targets which will be set by the Regional Spatial Strategy Revision when it is published in spring 2009 (see Stronger Communities section).

4.3 Given the overarching context set out in the Regional Spatial Strategy, and the New Growth Point status of Worcester it is appropriate to progress an approach where existing administrative boundaries within South Worcestershire are not a constraint to appropriate development. A wider area is being considered, and development for Worcester will extend beyond the current city administrative boundaries into Malvern Hills and/or Wychavon districts.

4.4 This is likely to have significant implications for Wychavon as a district in particular, since the potential housing (and employment figures) being promoted by the Regional Spatial Strategy Revision are higher than Malvern Hills. In addition the towns and larger settlements in the district are potentially more sustainable locations for development in terms of services, and proximity to Worcester and the West Midlands in general. Malvern Hills district has fewer potential numbers from the emerging Regional Spatial Strategy Revision as well as recognised constraint, in particular, relating to infrastructure, accessibility and environment.

4.5 The release of land for housing will need to be phased over the period to 2026, in accordance with the arrangements proposed by the Regional Spatial Strategy Revision.

12.3. Responses to the consultation largely related to the questions in the questionnaire which focused on how and where to provide housing, rather than the scale of provision and the approach to supply categories. Nevertheless, responses raised the following issues:

- It is essential for the Joint Core Strategy to commit unequivocally to meet the Regional Housing target as a minimum within the plan period.

- It is important that the Joint Core Strategy is flexible enough to be able to respond to the eventual requirements of the Regional Spatial Strategy. The South Worcestershire Joint Core Strategy will need to provide sufficient land to accommodate in excess of 32,597 dwellings up to 2026.

- JCS should incorporate a flexible approach towards the provision of new housing and that the presently canvassed Regional Spatial Strategy figures do not represent the maximum level of growth up to 2026, particularly in and around Worcester. Worcester should be the pre-eminent
focus for most development within any hierarchy of towns in South Worcestershire. Scale of development allocated to Worcester should stand head and shoulders above the other settlements.

- Need to be flexible in their JCS. Planning for the minimum housing requirement i.e. requirement, and with a rigid strategy that fails to identify the need for, and broad location of, sustainable urban extensions early within the JCS, will not provide for sufficient new housing to be in the pipeline at any one time. Affordability will not be tackled as a result. Planning to ensure a continuous supply of housing land, identifying long-term directions of growth and being clear in the JCS where development needs could be realised beyond the Core Strategy timeframe will ensure that reviews of the strategy are swift and the supply of sites does not ‘dry up’.

- Encourage authorities to undertake a Housing Market Assessment as part of their LDF. Assessments should be soundly based, and result in proportions of affordable housing sought through planning policy, being deliverable & viable.

- Disagree with the assumptions that have been used to justify the need for 30,000+ additional homes in the South Worcestershire area.

- With the collapsing housing market is the number of houses indicated actually needed?

12.4. The Councils’ response: It is beyond the scope of the Joint Core Strategy to challenge the quantity of new homes required by the Regional Spatial Strategy. The key assumptions that average household size is falling and that people are living longer and choosing to remain in their family homes for longer are soundly based on Office of National Statistics evidence. The total figure is 24,500. The projected housing need is based on long-term trends such as falls in the average household size and an aging population. These trends have not been affected over time by comparatively short-term changes in housing markets that reflect the ups and downs of the wider economy.

Responses to Public Consultation on Preferred Options Paper – September to October 2008

12.5. The WMRSS continued to provide the context for the SWJCS Preferred Options, and responses received to the SWJCS consultation were made in that context:

"4.19 The South Worcestershire Joint Core Strategy is required to set out a strategy to deliver housing, employment and retail growth requirements set out in the Regional Spatial Strategy. The Joint Core Strategy must clearly show where, in broad terms, the growth will take place and the reasons for the amount of growth in each broad area"
Malvern

HOUSING
• Mix including affordability important.
• Protection of character of villages:
  - Why build homes that remain empty – e.g. North Site, Malvern.
  - Discussion - that issue is finance/mortgage rather than over-supply.
• Impact of Worcester requirements and fear of coalescence with nearby villages.
• Limited housing requirements in villages.
• Local needs – how defined?
• Local people’s needs, schooling, but other services also important.
• Worcester’s housing growth is Worcester’s problem – not for adjacent authorities. Some disagreement to this too – need to address Worcester’s growth.
• Flood plains – constraint to development in main towns. Flood defences help, but don’t help deliver more land for development.
• Agree that one size does not fit all – regarding settlements.
• Update Parish Plans: how much coverage? How up to date? difficult to get people engaged. Need to update housing needs surveys at the same time.
• Housing development needs to be related to infrastructure – transport links, schools etc small development rather than very large development.
• Comprehensive planning approach to sites where more than one developer to stop them ducking below affordable housing thresholds in villages.

HOUSING
• Could Worcester develop higher density housing (up, not outward).
• Should the market decide?
• Type of housing (Victorian housing stock) – is this a problem?
• Larger villages with better services more suitable for retirement/managed schemes.
• Sequential preferability – facilities first.
• Positively encourage windfall sites – should be included in target/plan.
• Empty Homes Policy.
• Market affordable housing.
• Historic village settlement boundaries – parish plans to define this. Give villages option of self-categorisation.
• New self contained small villages to be developed?
• Mobile homes as part solution to affordability.
• Question of boundary change around Worcester overspill?

Worcester

How affordable is Housing in your area?
• Early engagement with Community First for local housing needs survey.
• Locally let houses are now being let to others from outside, were only let to ‘locals’ for short period. When re-let, have been let to people outside i.e. going back to the normal system.
• New housing is not affordable.
• Need for affordable housing in Leigh Sinton (Malvern); especially for elderly.
• Location/good access to health facilities/nurseries not mentioned in handouts.
Is an important aspect, especially for elderly.

- Could facilities be bought to villages, rather than a specific building for them?

**Do you need subsidised housing in your area?**

- Locals not necessarily getting subsidised housing.
- Occupants are brought in from outside.
- Young residents cannot afford housing; villages may stagnate as a result.
- Need ‘low cost’, rather than affordable.
- Negotiation/provision of low cost down to local policies.
- People do not want to live on estates though due to (disorderly people) being transferred to social housing.

**Housing**

- Mix of housing supporting local people.
- Affordable housing not affordable.
- Affordable housing needs assessment to be based on local assessment.
- Housing association, Parish councils and local authority communication.
- Parish happy to accommodate small numbers of housing.
- Category 2 and 3 do want and need some housing.

**Group 2**

**Affordable Housing**

- Kempsey, Abberley – limited chance for youngsters.
- Salwarpe – very expensive.
- Rushwick had a successful affordable housing scheme; school needs more people; Abberley in same situation.
- North Claines – seems to be many on market.
  - But are they at ‘affordable price’?
  - Identify need; then work with landowner.
- Where are people coming from for affordable housing?
- Where are jobs for people?
- Bredon parish council – performed own assessment, found one percent need.
- Needs to be reserved for people with local connections.
- Tibberton – affordable housing were as part of private housing scheme.
- Definition of sustainability needs to consider wildlife.
- Sustainability needs to be looked at differently in AONBs.
- Problem of people not minding affordable housing but not wanting private which subsidises affordable housing e.g. Bredon- would rather have less affordable housing as do not want private.
- Need for different types of homes e.g. for elderly.
- Does Worcester have key worker policy?

**Wychavon**

**Housing**

- Question re target (RSS) and ONS.
- Housing Disparity between north and south Worcestershire. Why is ours so high?
- Statement that EU level and ageing population challenges meant that people would migrate to Midlands - also economic migrants - however assumptions have now changed.
- Some need (Norton Lenchwick) for market housing to help in an ageing and social housing led area.
- Problem with affordable housing changing at a later date to market housing.
- Need to look at type of housing.
- Issue with commuting for work.
• Need affordable housing for youngsters.
• More low cost housing with new funding streams - general view that homes need to be more affordable.
• Issues over existing settlement boundaries and applications/opportunities for affordable housing.
• Is there scope for allocated housing site where a few market houses subsidise affordable units - needs landowners to agree on allocated affordable?
• Houses need to be near employment.
• Also need for people who want to stay in villages and cannot afford to.
• Mixed use (Affordable, Market and Employment).

How Affordable is Housing in your Area?
• Rural areas – not affordable.
• Inefficient housing use.
• Link between economic prosperity and housing stock.
• Housing for specialist jobs e.g. nurses, police.
• Interdependent.
• Issue of HA – empty properties.
• Housing should be spread throughout District – mix of housing – transport and infrastructure needs to be in place.
  → throughout villages and towns.
  → Not sustainable – have not got many facilities in rural villages/towns to support housing figures.
• Importance of village/town identity.

Housing Affordability
• Young people on housing ladder and availability of renting.
• Extensions on what was smaller homes – cheaper option rather than moving.
• Groups – Smaller required of affordable housing.
• Public transport.
• No infrastructure.
• Needs to be based on need.
• Be more control of affordable housing and in design terms.
• Parish councils input in allocation of affordable housing.
• ↑ average age in village due to ↓ of affordable housing.
• Facilities – need this to encourage people in a village.
• Genuine affordable homes supply and demand and price.
• Cost of mortgages.
• Need rural schools with allocations.

Housing
• Eldersfield: Rates of affordable housing do not reflect rural land values of village, sometimes.
• Can be hard to plan for future when unsure what is happening.
• Is affordable housing necessarily affordable?
• Problem of people extending housing, meaning still have demand for 1/2 bed housing.
• Allowing development on plots that were not meant for e.g. 3 and 4 bed houses. Is an issue?
• Concern affordable housing could attract high numbers to small villages. Levels need to be appropriate to retain local residents especially young and old.
• ‘Building for Life’ standards need to be in policy so implemented.
• Issue of needing development in villages when existing allocations built out
with existing Local Plan.
• Smaller sites of e.g. 2/3 would be better than ‘large’ sites.
• Environmental impact e.g. loss of biodiversity needs consideration.

Responses to Public Consultation on Preferred Options Document – September to November 2011

12.6. By the time of the SWDP consultation, responses to the consultations were being shaped by the government’s intention to revoke the RSS, the draft Framework and the opportunity to have locally derived housing provision targets

12.7. The July 2012 Schedule of Issues and Recommended Responses provides an extensive list of the wide ranging issues raised by respondents to the South Worcestershire Development Plan Preferred Options consultation regarding the issues of how much housing to provide for and how this is to be met.

12.8. The detailed issues relating to housing provision include the following:

• Should Table 2 (provision) be elevated to the status of policy
• Should housing provision policy be a target/minimum/ceiling or aspirational
• Should provision targets be established for sub areas as well as a total provision
• What are the Sub Areas for housing provision policy
• Should targets be set for affordable housing and market housing as well as the total provision target
• Should the scale of provision be based on the WMMRSS phase 2 policy (submitted or as in Panel report)
• Should the scale of provision be informed by WMRSS evidence
• Should housing provision be informed by the latest Strategic Housing Market Assessment
• How should locally derived housing provision policy be calculated – and on what evidence should the policy rely
• Over what time period should provision be made
  o take a shorter period because of the current uncertainty of the housing market; or
  o take a long term view eg 15 years plus
• Inadequate/lack of evidence
• Available evidence has not been relied on to develop policy
• Lack of audit trail of how the evidence has been used to develop policy
• Should provision be based on national household projections – if so on which version should the policy rely;
• Are there mitigating factors to take into account such as the environment
• Has the scale of provision taken into account unmet housing need from adjoining or other areas
• Does plan preparation meet the legal requirements regarding the duty to cooperate and the test of soundness (is the plan positively prepared)
• Should a 10 year migration rate be taken into account instead of a rate based on the last 5 years
• Is the housing provision in the Preferred Options consistent with an economic prosperity lead planning strategy (in terms of housing a local labour force, impact on jobs and business, and prosperity eg measured by GVA)
• Is the housing provision in the Preferred Options consistent with the objective of maximising the delivery of affordable dwellings and the level of need
• Is the plan based on a miscalculation – should the housing provision be based only on the growth in population and the housing needed to house them
• Should only local needs housing be provided for
• How can evidence be easier to understand eg provide information at settlement level (See Appendix 14)
• Should further provision be made whilst there are still houses on the market.

12.9. The detailed issues relating to housing supply include the following:

• Should more up to date evidence be used
• Is there a discrepancy between national statistics and local monitoring information on completions
• Should a higher allowance for non-delivery be made – should this apply to allocations as well as to commitments
• Should windfalls be taken into account – is there evidence of this source of supply in the past and will it continue in the future – can windfalls now be included in the supply in the first 10 years
• Has there been a thorough investigation of the availability and capacity of brownfield sites
• Has there been an overestimate of the potential for delivery from urban capacity/brownfield sites - lack of evidence of delivery on the Opportunity Zones in Worcester
• Should the plan include supply from bringing empty homes back into use
• How is Extra Care housing being taken into account
• Should there be an overprovision of site allocations
• Is there sufficient supply from the identified sources to meet the provision requirement
• Has the plan identified deliverable sites and does the plan enable a 5 year housing land supply to be maintained and should it take into account a buffer
• Is there compelling evidence of delivery of housing that means that the buffer can be 5% or should the buffer be 20%

12.10. The Councils’ responses to these issues are set out Schedule of Issues and Recommended responses on SWDP 2 – Housing, considered by the Councils in July 2012. This paper also responds to these issues with further details.
13. Changes from Preferred Options to submission draft version

13.1. Changes to the Preferred Options arose from consideration of the representations, new evidence and national guidance. The detailed explanation of the changes are set out in the Schedule of Changes (and in the schedule of issues and recommended responses considered by the Councils in July 2012).

13.2. The following significant changes to Policy SWDP2 are being consulted on in response to issues raised in Section 12.

CHANGES RELATING TO HOUSING PROVISION

13.3. The plan is to be amended to elevate housing provision to policy status, to express it as a target to aim for, with targets for affordable housing and market housing, and separate targets for the sub areas (and also for Worcester city to ensure sufficient clarity for the local planning authorities) as follows:

DELETE Table 2

AMEND Title of Policy SWDP 2 to be ‘Employment, Housing and Retail Provision Requirement and Delivery’

DELETE the first and second paragraph of policy SWDP2

INSERT the following at the start of SWDP 2

The Local Planning Authorities in South Worcestershire will plan, monitor and manage the delivery of the provision of housing, employment land and retail floorspace between 2006 and 2030 in accordance with Table 4 and the site allocations set out in Policies SWDP 6 to SWDP 25, consistent with the Infrastructure Phasing Plan in [new] Policy SWDP [New6]. This will maintain the 5 year supply of housing land and employment land, and ensure that priority locations for regeneration are developed earlier on in the life of the Plan.

Development proposals not in accordance with the Infrastructure Phasing Plan will be resisted unless the applicant demonstrates that the infrastructure necessary to support the development has substantial, current commitment by the agencies responsible for delivering that infrastructure.

Housing provision will be made for about 23,200 dwellings (net) during the plan period, comprising the Sub Area Totals which are separate and non-transferable, and the related market housing and affordable housing provision as set out in Table A2

Table A2 Total & Sub Area Housing Provision (2006 to 2030)

<table>
<thead>
<tr>
<th>Sub Area</th>
<th>Provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wider Worcester Area (WWA)</td>
<td>9,400</td>
</tr>
<tr>
<td>Malvern Hills (excluding WWA)</td>
<td>4,900</td>
</tr>
<tr>
<td>Wychavon (excluding WWA)</td>
<td>8,900</td>
</tr>
<tr>
<td><strong>TOTAL #</strong></td>
<td><strong>23,200</strong></td>
</tr>
</tbody>
</table>
Of which – Worcester City 5,500

Worcester urban extensions are part of the Wider Worcester Area, to be delivered on land abutting the administrative boundary of Worcester City and not elsewhere within Malvern Hills or Wychavon.

INSERT the following as Table A2:
Provision 2006 to 2030
Market Housing
  o  Wider Worcester Area (WWA)#  6,880
  o  Malvern Hills (excluding WWA) 3,660
  o  Wychavon (excluding WWA) 7,170

**South Worcestershire**
Total # 17,700
  * Of which – Worcester City 4,550

Affordable Housing *
  o  Wider Worcester Area (WWA)#  2,520
  o  Malvern Hills (excluding WWA) 1,240
  o  Wychavon (excluding WWA) 1,730

**South Worcestershire**
Total # 5,500
  * Of which – Worcester City 950

Notes:
*The Affordable housing provision is a target
Figures may not sum due to rounding

**AMEND** written justification in Para 4.16 to state the following
The Worcestershire Strategic Housing Market Assessment 2012 is the latest assessment of the full housing needs of the plan area. The South Worcestershire Councils worked with neighbouring authorities because the housing market areas cross administrative boundaries. The 2012 SHMA developed scenarios identifying the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meet household and population projections, taking account of migration and demographic change.

The SHMA evidence, which used the latest available national household (2008) and population projections, informed the Councils’ development of policy on housing provision. It enables the Councils to meet the full, objectively assessed needs for market and affordable housing in the
housing market area, as far as is consistent with the policies set out in the National Planning Policy Framework. The national projections and SHMA are evidence not policy. Other material considerations are taken into account, including the natural and historic environment such as the Malvern Hills Area of Outstanding Natural Beauty, and the viability of delivering affordable housing and infrastructure.

4.17 The Worcestershire Strategic Housing Market Assessment 2012 provides robust, credible evidence to 2030 in the form of scenarios of housing growth, informed by these national projections and by evidence on jobs growth. The South Worcestershire Councils’ locally derived housing provision policy for about 23,000 dwellings for 2006-2030 reflects the overall scale of housing growth associated with SHMA Sensitivity Scenario 2 (23,157 dwellings) and improves the alignment of housing, jobs, and the labour force. The scale of growth of the Plan’s sub areas is moderated by the need to respect key environmental assets, notably the Malvern Hills AONB and to absorb displaced requirement within the plan area, so that the plan is positively prepared. Housing Background Paper 2012 sets out the detailed justification of the planned scale and distribution of housing development.

4.18 The main focus of this Development Plan is to provide development which supports the area’s economic prosperity. The key mechanisms to achieve this are to make provision for

- the right amount and type of land for employment uses in the locations where business will thrive and be more resilient to the twin challenges of global competition and moving towards a low carbon economy
- sufficient housing that enables more of the labour force to be housed locally and provide the right mix to meet the wide range of housing needs
- retail development which is more resilient to changing retail behaviour and challenges to the High Street, and which supports the vitality and viability of town centres in South Worcestershire and town centre uses
- infrastructure that supports communities which house the labour force and supports the movement of labour, goods and materials, with alignment of the phasing of development and supporting infrastructure, including facilities to support training and skills

**INSERT additional written justification relating to Policy SWDP 2**

The plan has been positively prepared. Joint working and co-operation has addressed ‘larger than local’ cross boundary issues relating to housing. This enables the unmet housing requirement of Malvern Hills to 2030 to be met within this plan area by redirecting displaced housing requirement from the Malvern Hills area to the Wider Worcester Area and Wychavon. The Sub areas for housing provision policy purposes comprise
• The Wider Worcester Area - to provide for the growth of Worcester including growth immediately outside the Worcester City administrative boundary, towards which urban extensions adjoining Worcester City will be needed,
• Malvern Hills (excluding the Wider Worcester Area)
• Wychavon (excluding the Wider Worcester Area)

At 4,900 dwellings, the policy provision for Malvern Hills (outside the Wider Worcester Area) is below the housing level based simply on the latest national household projection level of 7,300 plus a 3% allowance for vacancies for this sub-area.

Redirection of approximately 2,600 of the Malvern Hills housing requirement has been necessary because of limited opportunities for urban growth in Malvern Hills District. This is due to constraints on the development of Greater Malvern and in Malvern Vale resulting from their proximity to the Malvern Hills AONB, and the need to protect the AONB from adverse environmental impacts of extensive, concentrated urban development nearby. Joint plan making provides the opportunity to damp down the historic trend of large-scale net in-migration into the Malvern Hills area by making alternative provision at sustainable locations elsewhere in the SWDP plan area which can accommodate the displaced requirement.

The plan addresses the consequences of accommodating the displaced Malvern requirement, in particular:
• it acknowledges the need for transport infrastructure and services to enable the labour supply to access employment in Malvern Hills,
• a meaningful proportion of the affordable housing in the Worcester South and West Urban Extensions will meet affordable housing need from Malvern Hills District
• the need to coordinate services provided by the County and District Councils and other providers to support communities in the Wider Worcester Area.

From objective assessment of development requirements the South Worcestershire councils conclude that the plan meets an appropriate level of unmet housing requirement to 2030 arising from areas outside South Worcestershire which it is reasonable to accommodate within this plan area. South Worcestershire will continue to provide housing to accommodate substantial in-migration, but at levels more consistent with sustainable development, an economic prosperity led plan, and taking account of the West Midlands Urban Renaissance strategy.

The councils in South Worcestershire diligently undertook joint working through evidence gathering and during plan preparation, to identify requirements. They cooperated with adjoining authorities, and with other authorities such as Councils in the West Midlands to consider strategic priorities for the delivery of homes, including cross-boundary housing requirements. SHMA 2012 involved joint working within Worcestershire to
prepare evidence on housing need. The evidence base sets out the assessment, and the joint working and activities demonstrating effective cooperation consistent with the Duty to Co-operate.

Evidence in the Housing Background paper indicates that the estimated total need for affordable housing in the plan period is at least 8,350 dwellings. This takes into account:
- 1,082 completions to 2011
- total commitments for 329 as at April 2011
- a further 3,785 affordable dwellings to meet the current backlog of need and net newly arising need 2011 to 2016, plus
- additional net newly arising need for 2016 to 2030 of the order of at least 3155 dwellings.

The Background Paper provides an objective assessment of the sources of supply. It indicates that if affordable housing delivery relied only on the uplift of development land value then total potential supply of additional affordable housing in the plan period would amount to about 5500 affordable dwellings. This assessment is based on:
- 1082 completions 2006 to 2011 plus total commitments for 329 as at April 2011
- The potential to deliver up to approximately 4,090 affordable dwellings from future housing supply from which affordable housing can be sought. This takes into account
  o the residue of overall housing provision not committed as at April 2011 (approximately 13,440 dwellings including delivery on sites allocated in this plan but excluding empty homes brought back into use and housing release as household moves to extra care housing with high-care packages)
  o Policy SWDP31’s sliding scale of affordable housing to be sought from sites permitted for C3 dwellings
  o a further reduction of 5% made for forecasting purposes only to discount lower delivery rates prior to plan adoption and to allow for circumstances where there may no local need, consistent with the criteria for Policy SWDP31, or there are viability issues

Use Class C2 housing (residential care homes, plus the high end care of extra care housing) and ‘sui generis’ non-self-contained student accommodation are not subject to Policy SWDP 31, and so will not contribute to the supply of affordable dwellings.

Affordable dwellings provision
The uplift in land values achieved through Use Class C3 market housing provision is a key opportunity in this plan period to seek to meet much of the residue of the unmet affordable housing need, but viability constrains the ability of development to meet all of that need, as indicated in the Affordable Housing Economic Viability Study.
The target of 5,500 affordable dwellings is a minimum. The target is about 2,840 below the total level of potential need, but it is a realistic target for delivering affordable housing via the uplift in development value.

It is expected to be added to through

a) changes in tenure within the existing stock, or from sources external to South Worcestershire, which will not need additional dwellings built, including

- change in stock in Worcester from market housing to private sector rent that is affordable
- RSLs purchasing ‘existing satisfactory properties’ and acquiring properties via Mortgage Rescue

b) affordable housing is expected to be delivered through means that are allowed for by policy but not yet fully quantified so not counted towards the policy housing provision total at this time (ie they would be in addition to the 23,300); from

- rural exceptions,
- Neighbourhood Plans and Community Right to Build, and
- delivery of affordable housing from financial contributions from small sites (less than 5 dwellings).

c) Other 100% affordable schemes. If built, these would raise the total supply of affordable housing counted towards SWDP2. The products listed below are new and lack of national or local evidence about actual delivery precludes identifying a specific allowance in Table 4 provision at this time:

- RSLs building more ‘affordable rent’ housing without grant funding, by raising money on the financial market and funded by the affordable rents
- Local Authority New Build
- 100% grant funding/ affordable housing delivered through a range of mechanisms - currently eg the Affordable Homes Programme (replacing the National Affordable Housing Programme), Kickstart (HomeBuy Direct and NAHP)

As a result the market housing provision total and subtotals in Policy SWDP2 are calculated by subtracting only the potential for delivering 5,500 affordable dwellings through development value uplift from the 23,200 total, without further deduction for 100% affordable housing schemes. Monitoring will indicate whether the higher levels of affordable housing are delivered. The Plan Review is the appropriate mechanism to consider whether to amend the housing provision totals and/or the sub totals for market housing and/or affordable housing in the light of evidence about 100% affordable housing schemes delivery.

Other parts of the plan are also amended:
**INSERT new Policy clause** for Review and Monitoring of Plan as follows:
The South Worcestershire Development Plan will be reviewed by 2019

**In Table 1: Key Issues affecting land use in South Worcestershire**

DELETE 2\textsuperscript{nd} Paragraph and replace with the following

The latest Department for Communities and Local Government projections (2008) show an increase of 21,600 households in South Worcestershire between 2008 and 2030. The Worcestershire Strategic Housing Market Assessment (SHMA) 2012 provides robust, proportionate evidence to 2030 in the form of scenarios of housing growth, informed by these national projections and by evidence on jobs growth. The South Worcestershire Councils’ locally derived housing provision policy for about 23,200 dwellings for 2006-2030 reflects the overall scale of housing growth associated with SHMA Sensitivity Scenario 2 (23,157 dwellings) aiming to improve the alignment of housing, jobs, and the labour force. The scale of growth of the Plan’s sub areas is moderated by the need to respect key environmental assets, notably the Malvern Hills AONB and to absorb displaced housing requirement within the plan area, so that the plan is positively prepared. Housing Background Paper 2012 sets out the detailed justification of the planned scale and distribution of housing development.

DELETE 4\textsuperscript{th} Paragraph and replace with the following

The estimated need for affordable housing in the plan period is at least 8,350 dwellings. By creating the right conditions to create jobs and deliver the plan’s economic strategy the plan can create the conditions to reduce the need for further affordable housing, including fostering household confidence to move to market housing thereby releasing affordable housing for re-lets.

The uplift in land values from development is the key opportunity in this plan period for seeking to meet the unmet need for affordable housing. The scale of housing provision between 2006 and 2030 could deliver at least 5,500 affordable dwellings, taking overall viability into account. This is a realistic target to include in the plan.

The amount of additional affordable housing will rise as RSLs deliver at 100% affordable housing by building more ‘affordable rent’ housing without grant funding, and from a range of new Government schemes and affordable housing programmes. Significant additional affordable housing will also occur within the existing dwelling stock including: a forecast of 570 dwellings in Worcester through change of tenure from market housing ownership to private sector rent that is affordable; plus mortgage rescue and RSLs purchasing properties. Delivery through ‘rural exception’ sites; Neighbourhood Plans and Community Right to Build; and from financial contributions from small sites will provide further affordable housing that is additional to the overall housing provision policy.
AMEND Figure 2 to state that
A suite of background papers draw the evidence together and provide an audit trail listing the evidence used and explaining how evidence, including the sustainability appraisal and consideration of representations, has informed the development of the plan.
A full audit trail listing the evidence used and explaining how evidence, including the sustainability appraisal and consideration of representations, has informed the development of the plan is set out in a series of background papers

2.2 The Localism Act was enacted on 15 November 2011. Key sections relating to the Secretary of State’s powers to revoke the Regional Spatial Strategies came into force on 16 November 2011.’

Either:
a) if the Secretary of State has revoked the RSS then INSERT additional text as follows
‘The Secretary of State exercised the new powers under the Localism Act 2011 and revoked the approved West Midlands Regional Spatial Strategy (WMRSS) on [insert date]’. The RSS is no longer part of the overall ‘development plan’ for South Worcestershire for the purposes of S38(6) of the Planning and Compulsory Purchase Act 2004.

Otherwise
b) if the Secretary of State has not revoked the RSS then INSERT additional text as follows

On 20 October 2011 CLG published the Environmental report on the revocation of the Regional Spatial Strategy for the West Midlands for consultation which closed on 20 January 2012. The Secretary of State is considering the findings of the assessment and the outcome is awaited.

Through the new Localism Act the Government has clearly signalled its intention to revoke the Regional Spatial Strategies. The Secretary of State has not yet exercised his new powers under the Localism Act 2011 to revoke the approved WMRSS. The approved West Midlands Regional Planning Guidance which has Regional Spatial Strategy status, remains part of the overall ‘development plan’ for South Worcestershire for the purposes of S38(6) of Planning and Compulsory Purchase Act 2004 unless and until the RSSs, including WMRSS, are revoked.

The Court of Appeal has clarified that whilst the intention to abolish the RSS is a material consideration in making development management decisions, it is not a material consideration in plan-making decisions.

1) DELETE Para 2.2 from 4th sentence (‘The Decentralisation and Localism Bill...) to the end of para 2.2 and Paragraph 2.3 and REPLACE with the following
‘The Government’s proposed changes to the planning system provided the opportunity for the three Councils to re-examine closely the latest available, reliable, local evidence base and used this evidence to establish
their own local development provision requirements for employment, housing and other land uses through the plan-making process.’

Updated evidence includes the Worcestershire Strategic Housing Market Assessment 2012 and the South Worcestershire Development Plan Demographic Background Paper February 2012. The SHMA is evidence, not policy, but it is the starting point for determining the level of housing provision 2006-2030 for SWDP. A wide range of other evidence has also been considered.

Preparation of the WMRSS Revision Phase 2 had reached Panel Report stage, but had not been subject to Proposed Modifications consultation and had not been approved by the Secretary of State. No further progress on that Revision is anticipated.

**CHANGES RELATING TO HOUSING SUPPLY**

13.4. As well as policy towards housing provision, the plan also needs to set out policy towards the elements of housing supply which are the means by which housing provision is met.

13.5. For clarity, certainty and to be consistent with national policy, the components of supply should be clearly identified in policy SWDP 2 based on proportionate (ie, adequate, up to date relevant) evidence) to accord with NPPF para158.

13.6. The detail about the changes to supply components drawn from a range of information, updated in the light of Councils’ consideration of representations and amended allocations, informed by

- Housing Land monitoring provides up to date evidence regarding completions, under construction and commitments.
- The Strategic Housing Land Availability Assessment provides evidence on available and developable sites

13.7. The publication of the National Planning Policy Framework provides the opportunity to reconsider the range of supply elements that the Councils can include in policy. These should now include

1) completions from 1 April 2006
2) dwellings under construction at the latest monitoring date and outstanding commitments at the latest monitoring date (with a discount of 4% for non-delivery)
3) long term empty homes brought back into use
4) small windfalls in the first 10 years (from the 2015/16 to avoid double count with completions of committed windfall sites)
5) small windfalls after the first 10 years
6) Housing released by households moving into the higher levels of extra care housing supported by care packages (which is effectively C2 accommodation) providing specialised housing for those with support or care needs

7) Site allocations

13.8. The plan is to be amended to set out the components of housing supply sub areas (and also for Worcester city to ensure sufficient clarity for the local planning authorities) as follows:

Change Table 4 in Policy SWDP2 as follows

**HOUSING SUPPLY 2006 to 2030**

**Wider Worcester Area (WWA)**

<table>
<thead>
<tr>
<th>Completions</th>
<th>Full</th>
<th>Dwellings under construction and outstanding commitments at the latest monitoring date</th>
<th>Long term empty homes brought back into use</th>
<th>Housing released by households moving into the highest level of extra care housing (which is effectively C2)</th>
<th>Windfall Allowance</th>
<th>Urban Capacity Allocations</th>
<th>Urban Extensions</th>
<th>Village Allocations</th>
<th>Tenbury Wells Allocations</th>
<th>Upton-upon-Severn Allocations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,770</td>
<td>1,193</td>
<td>150</td>
<td>100</td>
<td>994</td>
<td>1,395</td>
<td>481</td>
<td>597</td>
<td>70</td>
<td>43</td>
<td>4,880</td>
</tr>
</tbody>
</table>

**Malvern Hills (excluding WWA)**

<table>
<thead>
<tr>
<th>Completions</th>
<th>Full</th>
<th>Dwellings under construction and outstanding commitments at the latest monitoring date</th>
<th>Long term empty homes brought back into use</th>
<th>Housing released by households moving into the highest level of extra care housing (which is effectively C2)</th>
<th>Windfall Allowance</th>
<th>Urban Capacity Allocations</th>
<th>Urban Extensions</th>
<th>Village Allocations</th>
<th>Tenbury Wells Allocations</th>
<th>Upton-upon-Severn Allocations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,097</td>
<td>782</td>
<td>150</td>
<td>200</td>
<td>760</td>
<td>481</td>
<td>500</td>
<td>43</td>
<td>70</td>
<td>43</td>
<td>4,880</td>
</tr>
</tbody>
</table>
Wychavon (excluding WWA)

1,090  Completions ¹
2,777  Dwellings under construction and outstanding commitments at the latest monitoring date ² ⁷
250  Long term empty homes brought back into use
200  Housing released by households moving into the highest level of extra care housing (which is effectively C2)
1,114  Windfall Allowance ³
793  Urban Capacity Site allocations ⁸
1,400  Urban Extension Site allocations
1,457  Village Site allocations ⁶
9,081  Sub TOTAL

South Worcestershire

23,488  Total Supply

AMEND  Footnotes to SWDP 2 as follows:
¹  Total number/amount of homes (net)/ employment space completed for the period 01 April 2006 to 31 March 2011
²  Total number/amount of homes/employment space with planning permission. A discount of 4% for planning permissions not being implemented has been applied to all outstanding commitments (including dwellings under construction).
³  Windfall is unallocated housing development. An allowance for small windfall completions is included from 2015, to avoid double counting with the completion of small windfall commitments existing at 2011. The annual Windfall rates allowances for 2015 to 2025 and for 2025 to 2030 are: Worcester 75 and 50; Malvern Hills 57 and 38; Wychavon 86 and 60.
⁴  These allocations are all within the Worcester City administrative area and are set out in the Site Allocations - Urban Areas chapter plus the allocation at the Worcester Technology Park.
⁵  These allocations are beyond the Worcester City administrative area. The Urban Extensions are set out in the Site Allocations in the Worcester chapter.
⁶  Village allocations are set out in the Site Allocations - Rural Areas chapter.
⁷  In order to meet the 5 year housing land supply, Wychavon District Council has granted planning permission for 3 major housing proposals which are departures from the adopted Wychavon District Local Plan. These housing schemes are Crookbarrow Rd, Norton(74) Offenham Rd, Evesham (508) Allesborough Hill, Pershore(45)

The availability of housing land will be kept under review, maintaining a continuous supply of suitable sites to deliver the overall housing target.
New housing sites identified in the plan will be released for development consistent with Table 4 having regard to:

- The need to maintain a 5 year supply of housing land;
- Policy XX on making effective and sustainable use of land
- The contribution that will be made towards improved infrastructure provision, including affordable housing.

Changes to Written Justification

**REPLACE** para 4.18 (2nd and 3rd sentences) as follows:

Additional work on urban capacity for the city, including the allowance for small windfalls has demonstrated that the number of dwellings that can be accommodated within the city boundary can be increased to about 5,370 homes, plus the allowance for about 150 empty homes brought back into use and about 100 dwellings released as households move into extra care homes with higher care packages. This has consequently significantly reduced the scale of the Wider Worcester Area’s residential development to be met from urban extensions to 3,925 in order to address the revised requirement for 9,400 dwellings between 2006-2030.

**INSERT** additional written justification

As well as dwellings completed since 1 April 2006, those dwellings under construction or with planning permission but not yet started (discounted by 4%) are part of the supply counted towards the housing provision. In addition, new homes will be achieved by:

1. the development of allocation sites identified within the South Worcestershire Development Plan;
2. 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;
3. the provision of new homes through conversions;

Housing supply is also added to by

1) bringing long term empty homes back into use
2) the release of housing achieved through delivery of extra care housing that involves a significant level of care through a care package

Affordable housing delivered through Neighbourhood Plans and Community Right to Build, and from financial contributions from small sites are sources of un-quantified supply which are additional to the supply identified in Table 4.

Over time other sites may be identified in later Strategic Housing Land Availability Assessments. Development of these sites would add to housing supply. However, at this time they are unknown and so not included in the supply set out in Table 4.
Where monitoring identifies under-supply compared to the monitored housing trajectory, supply can be brought forward through permitting allocations, or windfalls.

The Councils will monitor delivery of the supply components for housing, employment land and retail floorspace through the Annual Monitoring Report, which is the appropriate vehicle to inform whether policy delivery is on course or whether the plan needs to be reviewed.

The Housing Implementation Strategy for the full range of housing objectives comprises:

Stronger Community Objectives 1, 2, and 3; and policies: SWDP2 (housing provision and supply), SWDP 6 to 13; 17 to 21; and 23 to 25 (site allocations), SWDP30 (housing mix), SWDP 31 (affordable housing), SWDP 32 (rural exceptions), SWDP 34 (replacement dwellings), SWDP 36 (rural worker dwellings); SWDP 41 (residential moorings); plus SWDP33 (Gypsy and traveller accommodation).

5 year housing land supply calculations will be produced annually for the following areas:
- Wider Worcester Area (WWA)
- Malvern Hills (excluding WWA)
- Wychavon (excluding WWA)
- Worcester City

Separate and non-transferable housing provision means that any identified shortfall against the 5 year housing land supply in one sub-area will not be met elsewhere in the plan area.

At April 2011 there was Insert statement about the 5 year supply positions [ ....] .

Guidance set out in the National Planning Policy Framework emphases how important it is for the South Worcestershire Local Planning Authorities to demonstrate a five year supply of deliverable sites. This demonstration is vital if policies for the supply of housing are to be considered up to date when applying the presumption in favour of sustainable development for development management purposes.

**INSERT** Annex illustrating the housing trajectories

The Policy needs to be informed and accompanied by a housing trajectory for the plan period, for market and affordable housing, illustrating the expected rate of delivery. The plan needs to set out a housing implementation strategy for the full range of housing describing how the Councils will maintain delivery of a five-year supply of housing land to meet the housing target. This:
• should draw on evidence of the supply of deliverable and developable sites,
• can include allowance for windfalls sites in the 5 year supply where supported by compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply

**Action**

Further work to develop the housing phasing plan in order to maintain 5 year housing land supply and demonstrate delivery of housing (and also the affordable housing to reduce the backlog)

Opportunity through consultation to gather further evidence on site delivery, including new sites proposed in the changes to the plan, to assess and justify a phasing plan.
Appendix 1

Evidence : Data Sources

The statistics and information in this paper have been sourced from the following:

Demographics
1. The focused sub regional review of the WMRSS Evidence Base Background paper 1 – Demographics and Housing Need/Demand (September 2010)
2. Worcestershire Demographic report 2011 with South Worcestershire Appendix (January 2011)
4. SWDP Background Paper No.3: Demographics Summary Paper (June 2011)
5. South Worcestershire Development Plan: Demographics Background Paper February 2012 (attached as Appendix 1 of this paper) This replaces SWDP Worcestershire Demographic Report 2004-2009 (May 2011)

Housing
6. Officers’ advice in response to the West Midlands Regional Planning Body’s Section 4(4) Authorities Brief (as amended) (February 2006) Worcestershire County Council May 2007
7. 2007 SHMA for the South Housing Market Area for the West Midlands
9. SHMA 2012 Appendix 3: Malvern Hills SHMA Overview Report
10. SHMA 2012 Appendix 5: Worcester SHMA Overview Report
11. SHMA 2012 Appendix 6: Wychavon SHMA Overview Report
12. The 2011 Monitoring round for the South Housing Market Area
15. Worcester City Annual Residential Monitoring – 2010/11

Economic
16. Latest published Worcestershire County Economic Assessment 2009/10
17. Labour Market Future Profiles Advantage West Midlands in September 2010

West Midlands Regional Spatial Strategy
18. Communities for the Future Housing Background Paper (Final Version) (Amended) Jan 2008
19. Housing Background Paper Supplement March 2009
21. West Midlands Regional Spatial Strategy Phase Two Revision – Panel Report
Appendix 2

Key Paragraphs in the National Planning Policy Framework

The most relevant parts of the Framework which have guided the content of policy SWDP 2 are as follows:

Para 14 : At the heart of the NPPF is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.

For plan-making this means that:

- local planning authorities should positively seek opportunities to meet the development needs of their area;
- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:
  - any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
  - specific policies in this Framework indicate development should be restricted.

For decision-taking this means:

- approving development proposals that accord with the development plan without delay; and
- where the development plan is absent, silent or relevant policies are out-of-date, granting permission unless:
  - any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
  - specific policies in this Framework indicate development should be restricted.

The importance of having an up to date plan is heightened by Framework para 49, ‘where housing applications should be considered in the context of the presumption in favour of sustainable development. Relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites’.

Para 17 - Core planning principles - those particularly relevant for SWPD 2

- be genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans .... kept up-to-
date, and be based on joint working and co-operation to address larger than local issues

- proactively drive and support sustainable economic development to deliver the homes...... Every effort should be made objectively to identify and then meet the housing, ... needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities

- take account of the different roles and character of different areas, promoting the vitality of our main urban areas, protecting the Green Belts around them......

- encourage the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value

- promote mixed use developments, and encourage multiple benefits from the use of land in urban and rural areas....

- actively manage patterns of growth to make the fullest possible use of public transport, walking and cycling, and focus significant development in locations which are or can be made sustainable;

**Section 6. Delivering a wide choice of high quality homes**

Para 47. To boost significantly the supply of housing, local planning authorities should:

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;

- identify and update annually a supply of specific deliverable\textsuperscript{11} sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;
identify a supply of specific, developable\textsuperscript{12} sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15;

for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target; and

set out their own approach to housing density to reflect local circumstances.

Para 48. LPAs may make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens.

Para 49 \textit{See para 2.12 of this Background Paper}

Para 50. To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);

identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and

where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial

\footnote{To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.}

\footnote{To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.}
contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.

Para 51. Local planning authorities should identify and bring back into residential use empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, acquire properties under compulsory purchase powers.

Para 52. The supply of new homes can sometimes be best achieved through planning for larger scale development, such as new settlements or extensions to existing villages and towns that follow the principles of Garden Cities. Working with the support of their communities, local planning authorities should consider whether such opportunities provide the best way of achieving sustainable development. In doing so, they should consider whether it is appropriate to establish Green Belt around or adjoining any such new development.