Worcestershire Place Shaping Group

Worcestershire Local Investment Plan

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1. Introduction

1.1 This is the first Local Investment Plan (LIP) for Worcestershire. It is a partnership document prepared through dialogue between Worcestershire’s local authorities, Registered Providers (RPs) and the Homes and Communities Agency (HCA) to identify shared priorities for housing, regeneration, economic development and supporting infrastructure.

1.2 The newly established Place Shaping group, a thematic sub-group of the Worcestershire Partnership, has taken responsibility for preparing the LIP and will guide subsequent iterations. The Place Shaping group brings together representatives of the six district local authorities, Worcestershire County Council, the HCA and Registered Providers.

1.3 The document is structured in the following way.

- Section 2 sets out the purpose and role of the LIP
- Section 3 describes the rapidly changing policy context for investment in housing and regeneration, which will influence what partners are able to achieve in the coming years
- Section 4 summarises Worcestershire’s story, highlighting key characteristics of the county which have shaped the content of the LIP
- Section 5 outlines key strategic priorities for Worcestershire spanning economic development, regeneration, housing and infrastructure
- Section 6 sets out what we see as some of the principal delivery challenges and how we are proposing to respond to them
- Section 7 provides summary information about the local priority schemes, including those identified for potential investment by the HCA in the period 2011 to 2015. This is based on a separate and comprehensive list of schemes in each of the six constituent local authority districts in Worcestershire which partners will continue to refine over the coming weeks and months
- Section 8 summarises the consultation and engagement that has informed the development of the Plan.

The LIP is by necessity a living document. It has been developed during a period of considerable change in the housing, regeneration and economic development policy landscape both nationally and locally, the effects of which are still emerging. In a climate of uncertainty, partners wish to retain the flexibility to adapt priorities in line with further developments in policy. Critically, in a public sector funding environment in which it is becoming more challenging to secure the necessary investment, partners must also ensure that they allow themselves the maximum possible flexibility to develop and implement creative solutions in support of their objectives. This document has been produced with the support of Regeneris Consulting and BBP Regeneration.
2. Purpose and Role of the Worcestershire LIP

Background to Local Investment Plans

2.1 The HCA’s Single Conversation process was launched in early 2010 to streamline engagement and negotiation about investment between the Agency and local partners. The Local Investment Plan (LIP) initiative was the most significant manifestation of the Single Conversation, devised to generate investment plans followed by Local Investment Agreements (LIAs) setting out how the HCA, local authorities and other partner organisations would contribute to the delivery of local, regional and national housing priorities.

2.2 A first wave of LIPs was produced during 2010. To different degrees, these documents provided statements of priorities to enable areas to do business with the HCA. But they are also usefully serving a wider range of purposes, including support for funding bids from a range of sources and a means of encouraging stronger joint working across local authority boundaries at a time when funding pressures are already steering local government in this direction.

2.3 Since the 2010 election there have been significant changes in the policy context for housing, economic development and regeneration in the UK. While the nature and extent of these changes is still becoming clear, the HCA has signalled a commitment to continue to work with LIPs in its business planning process. It is clear that the HCA will find it more difficult to invest in an area that does not have a LIP prepared.

2.4 The formal guidance on the production of LIPs has been pared back and they are not now expected to be followed by more detailed LIAs. In the future LIPs are now more of a voluntary tool for local authorities that find it a useful way to develop and deliver their local investment priorities. Their key function will be to align investment, land assets and other funding streams.

2.5 Along with changes in the policy landscape, the production of LIPs is also being heavily influenced by significant reductions to the HCA’s budget and the refocusing of its investment priorities onto a narrower range of objectives. These narrower objectives focus around affordable housing with a clear focus on the HCA’s new affordable rent product, the provision of decent homes and some continued work on wider place making activities. The LIPs will now be as much about how best to creatively engage with the broader resources offered by the HCA – its expertise, influence and land holdings – as it will be about the more limited pot of grant funding it will provide in future years.

2.6 The HCA is also going through a process of restructuring which has implications for the operational area in which Worcestershire is located. The county is included in the new, larger Midlands area. This means that priorities for Worcestershire will be considered amongst those of a broader range of areas than previously in the HCA’s business planning process.
2.7 Partners in Worcestershire have decided to push forward with a LIP. There is real value in using this process to help develop priorities for place shaping, feed into the planning of future infrastructure investment for the county and secure support from the HCA, and importantly other public sector bodies, to deliver these priorities.

Figure 2-1: Main Purposes of the Local Investment Plan

1. Broad Statement of Strategic Place Shaping Priorities
   Why?
   • Assist in joining up jobs & housing growth
   • Input to local & county wide infrastructure planning
   • Framework against which funders (inc. HCA) assess bids

2. Outline New Delivery Challenges and How We Are Responding
   Why?
   • Radically changed funding landscape
   • Ensure we are responding appropriately
   • ...and using all available tools

3. Long List of Priorities for HCA Support
   Why?
   • HCA regional business plan being formulated
   • Affordable Rent package bids in preparation
   • Opportunity to ensure Worcestershire benefits in full (from HCAs funding, assets & expertise)

2.8 As shown above, this initial LIP for Worcestershire is positioned as a document that will:

   • First, provide a **broad statement of place shaping priorities** to inform the work of Worcestershire LSP’s Place Shaping Group. It will serve to connect together established priorities for housing and employment growth in the county, and will be an important input into county wide infrastructure planning. The LIP will also serve as a framework against which external funders will assess the strategic fit of any funding bids which are submitted to them.

   • Second, set out the **new delivery challenges** that are now emerging in a rapidly changing policy and funding landscape for housing, economic development and regeneration. The LIP will start to identify potential solutions and behaviours to ensure we respond to new funding mechanisms, secure the better use of publicly owned assets and explore new ways to leverage investment from the private sector.

   • Third, provide those assembling bids for HCA’s new affordable rent investment programme and related funding opportunities with a statement of **specific priorities to be considered for support**. This will enable the county to feature prominently in the regional business plan for the Midlands and access a fair share of resources.

2.9 On this final objective, a strong relationship between local authorities, Registered Providers and the HCA will be critical in making best use of new funding opportunities. The focus of the LIP in this respect is on what Worcestershire partners can seek to achieve over the next four years (2011-15), in line with the next cycle of HCA’s expenditure planning.
Constraints and Risks

2.10 In deciding to proceed with the LIP at this juncture, Worcestershire’s local authorities have clearly recognised a number of constraining forces and risks in developing a document of this nature:

- National policy uncertainty – Key national policies on housing, regeneration, economic development and planning are still evolving. This means continued uncertainty about how priorities for Worcestershire will fit with national policy drivers, and how the government will target national funding resources in the future in the context of public sector austerity.

- Differences in local planning cycles – Across Worcestershire, local authorities are at different stages in their progress towards core strategies and other local development framework documents. In most localities, core strategies and important development plan documents (around site allocations, Section 106 policies) are not yet in place. Only Wyre Forest’s has so far been adopted. There are also critical elements of planning taking place at county level (Local Transport Plan 3, Strategic Infrastructure Delivery Plan) and which will have a key role to play in identifying investment priorities. The LTP 3 draft has now been published, while a first draft of the Infrastructure Delivery Plan is scheduled for Autumn 2011.

- A fragile market – Despite signs of recovery in the housing and commercial property sectors, uncertainty about public policy and funding is likely to feed uncertainty in the market place. This will affect land values, the commercial viability of developments and the availability of Registered Provider and private sector investment. In turn, this will affect the deliverability of LIP priorities, and the document needs to be flexible enough to accommodate the need for change.

- Information deficits – Many potential housing and regeneration schemes across Worcestershire are at an early stage of their development and lack viability statements, detailed masterplans and planning permissions. In addition, changes to the funding landscape mean that many projects previously deemed deliverable require further analysis, reconfiguration and new approaches. While this information deficit alone should not be grounds to decide not to pursue a priority, it further adds to the challenge of making a robust case for investment.

2.11 These challenges and risks for the LIP all underline the need for a document which is continually evolving. Priorities are not set in stone at this initial stage, and there must be scope both to add to the list and to modify or even set aside priorities over the next few years as partners further develop their investment plans and new opportunities and challenges emerge.
3. Policy Context for the LIP

**Key Points**
- New emphasis on neighbourhood and community involvement in planning set out in the 2010 Decentralisation and Localism Bill expected to influence the type, location and scale of housing, economic development and regeneration schemes in Worcestershire.
- Significant reforms to social housing policy including the abolition of lifetime tenancies and new powers for local authorities to determine who should qualify for social housing.
- New affordable rent option to be introduced for Registered Providers. Set at a higher level than social rent, up to 80% of local market rent.
- Reorganisation of the HCA’s operational areas, with a much larger Midlands region extending from north Lincolnshire to the borders of Buckinghamshire in the south.
- Majority of future HCA resources to be allocated to new affordable rent housing, with more limited funding to improve stock and invest in regeneration.
- Closure of RDAs represents a significant change in the way economic development and regeneration will be organised and funded. New local enterprise partnerships (LEPs) are expected to take on some of responsibilities of RDAs for economic growth and enterprise development.
- Proposals for new financial mechanisms (Tax Increment Finance, New Homes Bonus) for localities have potential to be source of funding to support capital investment in housing, economic development and regeneration.
- Regional Growth Fund of £1.4 billion (2011-14) available for investment to create private sector employment in areas most vulnerable to public sector funding cuts. Potential to provide sources of funding for investment in housing, economic development and regeneration schemes in Worcestershire.
- Strategic priorities identified in LIP are driven by Worcestershire Economic Strategy, LEP proposals, Worcestershire Housing Strategy and its Sustainable Community Strategy. District level economic development, regeneration, community and housing strategies are also important contributors to LIP priorities. The Housing Strategy will set a number of quantitative targets for housing development for the period through to 2016.
- Strategic Infrastructure Delivery Plan currently being developed in Worcestershire. This will play a critical part in enabling future housing development and wider regeneration to take place, and LIP priorities need to feed into this process.

3.1 The context for the LIP is set by a range of national and local policy drivers. This context is still taking shape during a period of significant change in housing, economic development, regeneration and planning policy, extending from the way that local planning decisions will be made to the type of housing that will in future be eligible for national funding.

**National Policy**

**Localism and the Big Society**

3.2 The development and implementation of Worcestershire’s LIP is taking place in a rapidly changing policy and funding landscape for local government. Publication of the Decentralisation and Localism Bill in December 2010 has signalled the Government’s aspiration to shift more responsibility for decision making to localities and neighbourhoods, in the context of a particularly tough financial settlement for local authorities. Several aspects of the localism agenda have important implications for the Worcestershire Local Investment Plan including:
Revocation of Regional Spatial Strategies (RSS) – Until now, the RSS determined the level of new homes and the broad provision of employment sites needed in an area. The Government’s decision to revoke them puts new onus on Worcestershire’s local authorities and their partners to determine the quantity, type and location of houses and jobs required in their areas. This is particularly important in the context of the emerging core strategies for Worcestershire, since they will be expected to set new targets for housing, employment land and other key elements of spatial planning in a locality. Over time, these decisions will need to be reflected in the priorities set by the Worcestershire LIP.

Neighbourhood planning powers – The Decentralisation and Localism Bill introduces new rights for neighbourhoods to determine future development (eg. the suggestion of a community right to build where a majority is in favour), as well as the potential for parish and neighbourhood councils to develop and submit plans for their areas. As it evolves over time, this role for neighbourhoods and communities would be expected to have a bearing on the priorities set by the LIP. Housing schemes, major regeneration schemes and other developments are set to be more strongly influenced by these new planning powers, both in terms of the development sought by an area and the constraints and restrictions that neighbourhoods and communities may seek.

3.3 The Decentralisation and Localism Bill is a key pillar of the Government’s Big Society initiative, which comprises measures intended to give local communities a bigger role in the design, funding and delivery of local services. To this end, the bill will introduce new powers for communities to take ownership of local assets, changes to the Community Infrastructure Levy to enable a larger proportion of receipts to be directed to neighbourhoods and the right for a range of organisations to bid to take over the running of services. Although detail on the implementation of these changes is yet to emerge, they imply a more decisive input for neighbourhoods in planning and development decisions in their area. In turn, this would be expected to feed through into the LIP.

3.4 Worcestershire has a well established infrastructure of community and enterprise partnerships on which to build as the UK moves towards localism and big society principles. These extend from the district and county level local strategic partnerships through an extensive network of parish and town councils. They also include public-private collaborative bodies such as the ReWyre Regeneration initiative, a form of engagement which is expected to become an increasingly important part of local governance.

Role of the Homes and Communities Agency and Social Housing Reforms

3.5 Following the Comprehensive Spending Review it has been confirmed that the HCA will be retained as a smaller ‘enabling and investment’ agency. HCA has outlined that investment will be focused in 3 broad areas:

- Affordable housing (£4.5 billion over the period between 2011 and 2015)
- Improving existing housing stock
- Land and regeneration – completing existing long term commitments, realising benefits from RDA land assets, working in partnership with other public agencies to
3.6 The HCA will from now on work across five operating areas (excluding London). The new single Midlands region is a much larger entity than its predecessor West and East Midlands regions. The implication for Worcestershire is that funding for the Midlands region will be distributed amongst a much broader array of organisations than under the previous organisational structure.

3.7 The HCA has indicated that its future investment will primarily be focused on: affordable rent housing, mortgage rescue package, Gypsies and Travellers, the Places of Change programme and empty homes. A substantial majority of future funding is expected to be allocated to the new affordable rent programme.

3.8 Whilst details are still emerging on the enabling role the HCA may be able to play, this is likely to include some or all of the following:

- Support and technical advice
- Project management of large scale planning applications
- Economic appraisal tools and procurement panels
- New models of public, private and third sector investment
- Maximising the use of public land through the emerging Local Land Initiative (LLI).

3.9 As part of its broader package of housing policy changes, the government has embarked on a programme of social housing reforms. Its stated aims in reforming the social housing system are to:

- Make the system fairer, striking a balance between the needs of new and existing tenants
- Ensure that social housing support is better focused on those who need it most
- Give local authorities and Registered Providers new powers so that they can make the best use of their housing stock.

3.10 The reforms set out a new approach to affordable housing which aims to allow greater flexibility and make public investment go further. From 2011, Registered Providers will have an additional Affordable Rent option to offer households. Affordable Rent will be set at a higher level than social rent, up to a maximum of 80% of gross local market rents. It will give registered providers the flexibility to increase the revenue that is available to them through rents – which can then generate additional capacity and fund the delivery of new affordable homes. The government has stated that grant funding (including funding through the HCA) from now on will primarily target this new affordable rent product.

3.11 The HCA published its framework for the Affordable Homes Programme in February 2011. The framework sets out how new affordable housing development will be funded over the next 4 years and the delivery mechanisms for the new Affordable Rent product. At the centre of the framework is a requirement for Registered Providers to submit packages of
proposals for which grant funding to support development is needed. Proposals are expected to set out the volume, location and type of stock to be developed, how existing stock might be converted to Affordable Rent stock or other tenure types, and how developments will deliver local priorities including those identified by Local Investment Plans. There is also emphasis on the creative use of assets including public land holdings and funding mechanisms (eg. Registered Providers’ borrowing, New Homes Bonus) to support development. The deadline for the submission of package proposals is 3rd May 2011, and partners across Worcestershire are now working together to assemble bids.

3.12 Changes to social housing will also include measures to create a new local authority tenancy with a minimum fixed term of 2 years. This is expected to operate alongside secure and introductory tenancies. Both local authorities and Registered Providers will be able to let social housing on fixed term tenancies, rather than the current lifetime tenancy model. Local authorities will also be given new freedom to determine who should qualify for social housing waiting lists. Priorities for social housing in the LIP will need to reflect these changes.

3.13 A key element of the changes is the requirement for local authorities to develop tenancy strategies which set the objectives that Registered Providers will in turn be expected to reflect in their individual tenancy management policies. These strategies need to be completed 12 months after the relevant sections of the Localism Bill enter into force. However, partners in Worcestershire have recognised the need to give Registered Providers an early steer on local tenancy strategies in view of the May deadline for the submission of package proposals to the HCA.

3.14 Alongside funding for the Affordable Rent product, the HCA has made indicative allocations to four other elements of the programme: Mortgage Rescue Scheme, Homelessness Change Programme, Traveller Pitch Funding and Empty Homes. Registered Providers have the opportunity to demonstrate how they might provide this wider range of products as part of their package proposals.

3.15 Partners in Worcestershire are already compiling data on potential demand for mortgage rescue in the County which will inform how lead provides and local authorities manage allocations over the next 3 years. The level of funding available for Mortgage Rescue is likely to support fewer completions than has been the case in Worcestershire over the past 2-3 years. This puts greater onus on the development of a strategy to prioritise households, and work on this is now underway.

3.16 Partners are also considering their approach to the availability of Empty Homes funding, with the HCA having indicated that £100 million is earmarked to address this problem from April 2012. Further information on this scheme is expected shortly, but Registered Providers have already been asked to signal their interest in bringing empty homes back into use in preparing package proposals.

Economic Development and Regeneration Policies

3.17 The second half of 2010 has been marked by a series of significant changes to the government’s approach to economic development and regeneration. Responsibility for economic development and regeneration is now shifting from regional organisations to local
partnerships, with a bigger role sought for the private sector in new governance arrangements. This is changing the context for the delivery of the LIP, particularly the mechanisms through which partners will set objectives and secure funding to deliver them.

3.18 For the LIP, the key changes are:

- **Local Growth White Paper.** October 2010 saw the publication of *Local Growth: Realising Every Place’s Potential* which provided further clarity about many of the government’s proposals for economic development and regeneration. Along with detail on the LEPs and the closure of the RDAs, the White Paper set out how the government proposes to provide localities with new financial incentives to promote growth. These may have a significant part to play in the way that local authorities and their partners are able to fund housing and regeneration schemes in future. Of particular importance are:
  
  ➢ Tax Increment Finance. The White Paper outlined new powers for local authorities to borrow against future additional income generated from local business rates. This funding could be used to support key infrastructure and other capital investments, and may prove in time to be a source of funding for LIP priorities.
  
  ➢ New Homes Bonus. From April 2011, local planning authorities will receive payments based on the annual net increase in dwellings in the area, with the level of payments related to Council Tax bands. This has the potential to contribute to the pooling of resources across several local authority areas.

- **Regional Growth Fund (RGF).** The White Paper also set out proposals for the £1.4 billion Regional Growth Fund which will operate between 2011 and 2014. This fund has been designed to support the creation of private sector employment in those areas of the country likely to face the most substantial fall in public sector employment. The emphasis is on the direct involvement of the private sector in formulating bids to the RGF, and LEPs are expected to be among the organisations developing proposals. The RGF has the potential to support a wide range of priorities identified in the LIP.

- **Abolition of Regional Development Agencies –** The imminent closure of Advantage West Midlands and the other Regional Development Agencies is intended to further shift the focus of sub-national economic development and regeneration policy towards localities. Advantage West Midlands has been a key source of funding for economic development and regeneration in the county.

- **New Local Enterprise Partnerships.** In September 2010, local authorities and business leaders were asked to submit their proposals for new Local Enterprise Partnerships that better represent functional economic areas, and there are expectations that LEPs will take a policy lead on economic development and regeneration issues. The expectation is that LEPs will take on some of the responsibilities previously exercised by the Regional Development Agencies, although the position in relation to funding and assets is not yet clear.
3.19 This initial LIP is complementary to a web of policies and strategies that are in place across Worcestershire.

**County Housing Strategy**

3.20 The LIP is identified as a supporting mechanism to enable delivery of the emerging Worcestershire Housing Strategy, which is expected to be completed in early 2011. The vision in the draft Housing Strategy is a simple and persuasive one: *The Right Home, At The Right Time, In The Right Place.* This is largely consistent with the key messages in the individual district housing strategies which have been developed over the past decade, but promotes a cross authority/joint approach to service delivery and highlights the importance of striking a balance between sub-regional needs and opportunities and those of local communities.

3.21 Partners have identified four primary goals in the draft strategy to which LIP priorities will be expected to make a key contribution:

- Better use of existing homes - To maximise the use of the existing housing stock by ensuring that a high percentage of homes are suitably occupied by 2016
- Delivering new homes - Enable 1,830 new market and 450 affordable homes which meet local needs in terms of property type, size, tenure and affordability by 2011
- Improving the condition of existing homes - Increase the number of existing homes across all tenures meeting the Decent Homes Standard by a target percentage by 2016 to improve peoples’ quality of life
- Providing housing related support - Increase the social benefit from housing related support by a target percentage by 2016 to meet the changing and growing needs of vulnerable people.

**Sustainable Community Strategy**

3.22 Worcestershire’s Sustainable Community Strategy (SCS) *Partnership Towards Excellence* sets the overarching strategic vision for Worcestershire and identifies the activity that partners will need to carry out to achieve it between 2008 and 2013. The SCS plays a key part in setting the framework for the LIP, since its key purpose is to improve the quality of life for all Worcestershire’s communities and to make the county a great place to live, work and visit.

3.23 The SCS vision is of a county with *safe, cohesive, healthy and inclusive communities, a strong and diverse economy and a valued and cherished environment.*

3.24 The Local Strategic Partnership, which has overall responsibility for the strategy, has set out six themes which will guide the actions of partners and the outcomes they are seeking to achieve. While the LIP contributes to all 6 themes, it has particularly significant contributions to make to achieving outcomes for the health, economic success and strong communities themes.
### Table 3-1: Worcestershire Sustainable Community Strategy Themes and Priority Outcomes

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<tr>
<th>Theme</th>
<th>Priority Outcomes (most relevant to LIP highlighted)</th>
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| Communities that are safe and feel safe   | • To continue to improve community safety and build confidence in communities  
                                             • To reduce the harm caused by illegal drugs and alcohol                                                                  |
| A better environment for today and tomorrow| • To protect and improve Worcestershire’s natural and historic environment  
                                             • To promote the re-use, recycling and recovery of waste  
                                             • To address issues of water quality, supply, and consumption and land drainage in Worcestershire  
                                             • To increase energy efficiency and increase the proportion of energy generated from renewable sources |
| Economic success that is shared by all     | • To promote technology-led growth benefiting all sectors and parts of the county  
                                             • To support the sustainable development of the county through infrastructure development (in particular transport infrastructure) and establish Worcester as a growth point  
                                             • To remove barriers to employment and improve skills  
                                             • To ensure that Worcestershire’s economic interests are effectively represented at all levels |
| Improve health and well being              | • To support adults to lead healthier lifestyles  
                                             • To reduce health inequalities  
                                             • To improve the quality of life and independence of older people and those with a long-term illness  
                                             • To improve mental health and wellbeing                                                                 |
| Meeting the needs of children and young people | • To support children, young people and families to lead healthy lifestyles  
                                                  • To identify and deal effectively with bullying and support all children, young people and families who have been affected by it  
                                                  • To raise the educational achievement of all children and young people  
                                                  • To ensure children, young people and their families have access to positive things to do and enjoy in their communities |
| Stronger communities                       | • To provide decent, appropriate and affordable housing that meets the diverse needs of Worcestershire  
                                             • To improve quality of life in Worcestershire by providing vibrant cultural and sporting opportunities for all  
                                             • To support effective volunteering that is accessible to all  
                                             • To reduce income deprivation including child and pensioner poverty  
                                             • To deliver an accessible, affordable, safe, convenient, sustainable and integrated passenger transport network |

3.25 The Worcestershire Partnership has agreed to move to a single Sustainable Community Strategy for the County that will run from 2011. Revision of the strategy is currently taking place and future updates of the LIP will need to reflect the themes and priorities agreed by the Partnership.

**Worcestershire Economic Strategy**

3.26 The LIP has an important supporting contribution to make to the delivery of the refreshed Worcestershire Economic Strategy (2010-20). The strategy sets out a long term vision and
focus for economic development and regeneration within the county:

In ten years time, technology-led growth will have contributed to the sustainable development of Worcestershire and strengthened its role as an economic driver for the region – acting as a catalyst for all sectors of the economy and areas of the County to benefit and providing well paid and highly skilled jobs and high quality of life for residents.

3.27 The strategy sets out three strategic objectives:

- Business: to support the development of a dynamic and diverse business base through engagement with existing businesses and encouraging growth of new businesses.
- Place: Supporting the sustainable development of the county through infrastructure development especially transport, and continue supporting Worcester as an accessible West Midlands Growth Point.
- People: To enhance employability levels removing barriers to employment and improving skills.

3.28 There are a number of important spatial dimensions to the strategy, highlighting:

- Areas of market failure and disadvantage – Rural Regeneration Zone.
- Concentrations of knowledge assets – Central Technology Belt.
- Strategic Growth Point – Worcester City, which is identified as a key economic development priority.
- Towns undergoing economic restructuring – Kidderminster, Redditch.
- Larger towns providing a focus for economic activity – Bromsgrove, Droitwich, Malvern.
- Market towns as a focus for rural regeneration – Pershore, Evesham, Bewdley, Stourport, Tenbury Wells, Upton-on-Severn.

3.29 While the strategy recognises that Worcestershire’s economic strength lies in its diversity, it recognises that the recession has had a deep impact on the county’s economy, and that recovery has been slow and modest. Cuts in public funding following CSR 2010 are expected to prolong the effects of recession, given the role of the public sector as a major employer and buyer of goods and services in Worcestershire.

3.30 The strategy recognises that the recession has an impact on housing and regeneration in Worcestershire. The number of new housing starts has fallen significantly and it is noted that a failure to meet future housing need/demand, including affordable housing will have an impact on the county’s economy.

3.31 Priorities identified in the LIP have a potentially important part to play in ensuring that the county attracts and retains the skilled workforce it needs to sustain its business base. In broader terms, the LIP directly responds to the opportunities and needs identified in the
spatial dimension of the economic strategy.

**Local Enterprise Partnership**

3.32 Worcestershire partners have successfully navigated the first stage in creating a new LEP for the county, having had its *Worcestershire Works* bid approved in December 2010. The bid set out the following priorities for the partnership:

- Deliver the strategic employment sites and related infrastructure (services, highways access, utilities etc) needed to secure sustainable economic growth and a low carbon economy. It has a strong focus on high technology and knowledge based industries eg. the early delivery of the Worcester Technology Park, Worcester Bosch facility and building on existing companies such as QinetiQ in Malvern.

- Ensure there is the right support for business start up, business growth, business retention and inward investment.

- Deliver the right infrastructure for businesses including broadband, improving access from the M5 to the Malvern Hills Science Park and QinetiQ, improvements to east west links and the A449.

- Invest in skills, ensuring that provision is responsive to business needs, and relevant to future growth and business opportunities.

3.33 While the precise role and function of LEPs is still emerging, the *Worcestershire Works* bid document sets out a number of commitments on housing and regeneration reflected in the LIP:

- Ensure an approach to strategic planning that is responsive to the aspirations of Worcestershire’s communities and that helps to create a thriving environment for jobs and enterprise.

- Continue a proactive joint approach to housing, particularly on innovative approaches to affordable housing, with locally initiated schemes to meet local needs.

3.34 As the LEP develops its agenda, the delivery of LIP priorities should in turn have a significant role in enabling partners to create the conditions for the private sector to flourish in Worcestershire. In addition to Worcestershire Works, North Worcestershire has also become part of the Birmingham and Solihull Local Enterprise Partnership, reflecting the strong economic ties across the boundaries of the component local authority areas. With major sites including Longbridge straddling the border of the two LEP areas, developments in Worcestershire and on the Birmingham/Solihull side of the boundary are treated as common investment priorities.

**Local Transport Plan 3**

3.35 The efficiency and effectiveness of Worcestershire’s existing transport infrastructure and priorities for future investment in transport are critical to the county’s aspirations for housing and regeneration. Following a period of consultation, Worcestershire’s LTP3 was
3.36 The LTP3 will be followed by a sequence of 5 year delivery plans. The County Council and its partners are clear that constraints on public funding for transport means tough choices about future investments, and the LTP3 points to the maintaining of existing transport infrastructure and services being the immediate priority for Worcestershire. The plan identifies five major schemes and packages that are being considered for inclusion which would absorb the full allocation of LTP funding and require additional investment to be realised. These cover measures to tackle current problems on the infrastructure network as well as measures to support future growth. They include:

- Evesham Abbey Bridge & Viaduct Replacement
- Worcester Transport Strategy - Phase 1
- Worcester Parkway Interchange
- Kidderminster Town Package
- Redditch Town Centre Package.

3.37 LTP3 policies will influence the location, type and scale of future housing developments in Worcestershire, as well as wider economic development and regeneration schemes. At the same time, many potential LIP investments will help to support the delivery of LTP3 objectives, whether through contributions secured through developments (eg. Section 106 agreements) or simply by encouraging living/working patterns that meet one or more of LTP3’s objectives. The creation of the £560 million Local Sustainable Transport Fund, which will operate over a 4 year period to 2015, also has the potential to be an important source of investment for this type of initiative in Worcestershire.

Worcestershire Infrastructure Delivery Plan

3.38 Worcestershire County Council is currently leading the preparation of a County wide infrastructure delivery plan, scheduled for completion in spring 2011. The delivery plan builds on work to comprehensively identify the county’s infrastructure requirements, and will provide the framework for the prioritising and then the delivery of the full spectrum of infrastructure investment (energy, water, telecoms, waste, access, transport, social and community).

3.39 The LIP will feed into the final stages of preparing the county infrastructure delivery plan. As far as possible, partners must seek to ensure that the infrastructure needs of key priorities for housing and regeneration are captured in the plan. At the same time, reduced funding for investment infrastructure will in turn affect the deliverability of housing and regeneration schemes, and this will need to be reflected in the way that LIP priorities are taken forward.

Capital and Asset Pathfinder

3.40 Worcestershire is one of several pilot areas for the national Capital and Asset Pathfinder
initiative. This initiative has been designed to enable partners to explore new ways of pooling budgets to secure efficiency savings, primarily through the better management of buildings and other assets. Partners have already undertaken a detailed asset mapping exercise, and the pathfinder may assist in identifying potential solutions to the use of publicly owned assets to support housing and regeneration schemes.

3.41 The Pathfinder is required by the Department for Communities and Local Government to complete a long term strategy to establish a coordinated approach to service delivery and asset management by public sector partners on an area wide basis over a 10 year period. The strategy will identify reductions in the portfolio of estate properties, environmental sustainability objectives, reductions in revenue costs and the potential to draw on capital receipts.

**Key District Policies and Strategies**

3.42 The preparation of the LIP has been informed by an extensive range of district level policies and strategies agreed by partners in Bromsgrove, Malvern, Redditch, Wyre Forest, Worcester, and Wychavon. These provide the detail about specific local priorities for housing, regeneration and economic development, but also local planning policies relating to the scale, type and location of affordable, social rented and special needs

**Core Strategies**

3.43 Core strategies set out the long term vision, objectives and key policies for development in Worcestershire. In the north, Wyre Forest district already has in place an adopted core strategy while Bromsgrove and Redditch will issue draft core strategies for consultation early in January 2011. The three south Worcestershire districts are in the process of completing the South Worcestershire Development Plan with preferred options scheduled to be issued in September 2011.

3.44 Of particular importance to the LIP will be the policies set out by core strategies on housing provision, approaches to affordable housing, regeneration priorities and commercial development. Priorities identified in the LIP will need to be consistent with policies set out in the core strategies, and the location, scale and characteristics of housing developments will be driven in part by local authority planning policies on developer contributions, the preferred composition of affordable housing schemes and the allocation of land for housing.

3.45 Local Area Action Plans (AAPs) and a number of Supplementary Planning Documents (SPDs) have also informed the preparation of the LIP. They are essential to understanding the mix of development that local authorities are seeking to deliver in specific localities.

**Local Housing Strategies**

3.46 In addition to the draft Worcestershire Housing Strategy, some local authorities have had in place district housing strategies which have informed both potential priorities for the LIP and their broader objectives for housing provision in their localities.

3.47 Much of the work of planning authorities on housing is underpinned by a substantial evidence base on the dynamics of local housing markets, housing needs and the availability
of land for future housing development. This has informed the preparation of the LIP and includes the Strategic Housing Land Availability Assessments (SHLAAs), Housing Market Assessments (HMAs) and accessibility studies, together with a wider range of studies on employment land, retail provision etc.

**Economic Development and Regeneration Strategies**

3.48 A key criterion in identifying priorities in the LIP has been their connection to key local economic development and regeneration priorities in each of the 6 Worcestershire districts. In some cases (e.g. Bromsgrove Economic Development Strategy, Redditch Economic Development Strategy) these set objectives covering the entire district. In many other cases (e.g. Kidderminster Regeneration Prospectus, Worcester Library and History Centre project), these take the form of plans for specific places or sites in which housing and/or employment have a central part to play. Alongside priorities for short term investment, the LIP also captures long term investment priorities that partners have identified for particular localities.

3.49 For some of these schemes, initial investments in housing, with or without funding from the HCA, will help to unlock future development or ensure that a component of affordable housing is provided. However, at this stage, several of the largest schemes are still at an early masterplanning stage and the role of the LIP is to help ensure that they are highlighted as priorities in advance of the submission of more detailed plans, the assembly of land and steps to secure funding packages.
4. Worcestershire’s Story

**Key Points**

- A large and diverse county with a complex urban and rural settlement pattern including Worcester city, larger strategic centres (Redditch, Kidderminster), towns, rural villages and hamlets.
- High quality living environments with historic built environment and an outstanding natural environment, including Areas of Outstanding Natural Beauty (AONBs).
- Population of 556,500 after growth of 9% between 1991 and 2009, with higher than average proportion of population in the 50-70 age group, and lower than average proportion of young people.
- Projected population growth of 12% to 2026, and a 50% increase in number of people over the age of 65 during the same period.
- Significantly self-contained, with 75% of population living and working in Worcestershire although some areas (eg. Bromsgrove, Wyre Forest, Redditch) have substantial numbers of people out-commuting to other parts of West Midlands.
- Worcestershire’s housing markets saw sustained, strong demand during the 2000s leading to problems of affordability across the county.
- The recession had significant impact on housing markets, with falling sales and falling completion rates further exacerbating the shortage of affordable homes to buy and rent.
- The draft Worcestershire Housing Strategy points to a need for more than 2,200 new affordable housing units a year to meet demand.
- Population projections suggest a need for substantial new and remodelled provision for older people, including extra care and specialist care schemes.
- Strong economic performance during 2000s with higher than average rates of entrepreneurship and lower than average levels of unemployment.
- Higher than average proportion of resident population qualified to NVQ Levels 3 and 4.
- Mixed economy with manufacturing the largest sector (16% of employment) and health, retail, education and other public sector also significant employers.
- Strong innovation base including QinetiQ and Bosch, with strengths in defence, aerospace, security and related information technology.
- Potential to expand high tech manufacturing through further development of business parks and investment in environmental technologies sector.
- Recession has had adverse impact on business birth and survival rates, and seen increases in unemployment with more deprived areas of county most affected.
- Areas of Kidderminster, Redditch, Stourport, Great Malvern and Worcester rank amongst most deprived 20% in the country, with nine areas in the top 10% most income deprived in England.
- Good quality road infrastructure with motorway network providing efficient access to wider UK network but rail under used and requiring further investment in facilities and capacity. Some key pinch points on road infrastructure require substantial investment.
- Need for further investment to extend coverage of broadband to rural towns and other settlements, particularly as superfast broadband starts to be rolled out.

**Worcestershire’s Key Characteristics**

4.1 Worcestershire is a large and diverse county, noted in the UK for its historic built environment and an outstanding natural environment. The key features of the county’s geography, economy and population have played a critical part in shaping its housing markets, and in turn they provide the context for the priorities partners have identified in the Local Investment Plan.
Worcestershire’s Geography

4.2 Worcestershire covers a total area of 173,529 hectares extending across seven local authority areas comprising Bromsgrove, Malvern Hills Redditch, Worcester City, Wychavon and Wyre Forest, together with the County Council area as a whole. A population density of 3.2 people per hectare reflects an area in which the city of Worcester, larger towns (Redditch and Kidderminster\(^1\)), towns (Bromsgrove, Droitwich, Evesham and Malvern, Pershore, Stourport, Upton, Tenbury, Bewdley) and smaller village/hamlet settlements are interspersed with significant tracts of sparsely populated rural landscape.

Figure 4-1: Worcestershire’s Settlement Pattern

![Worcestershire’s Settlement Pattern](image)

Source: Worcestershire Local Economic Assessment 2010-11

4.3 The county’s high quality living environments have been an important factor in the trajectory of its housing markets during the past decade. Many areas of the three northern districts have seen strong demand for housing resulting from in migration from the Birmingham conurbation. While the south is more geographically self-contained, centring on the role of the city of Worcester, southern districts have seen strong, sustained levels of demand for housing, driven in part by urban and rural settings which have proved to be a strong draw for house buyers, particularly in older age groups.

4.4 Worcestershire’s geography is an important driver of both future opportunity and need in housing and the wider economic development and regeneration of the area. Despite the

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\(^1\) Worcester, Redditch and Kidderminster were designated as Worcestershire’s Strategic Centres in the West Midlands Regional Spatial Strategy.
recession, upward pressure on house prices and land values has contributed to significant affordability problems and constrained development (housing and employment land). Substantial green belt allocations together with tight restraints on rural development have created challenging conditions for the growth of settlements and the construction of new housing stock. Ensuring access to housing in this complex environment of market and planning constraints will remain a long term priority for the county.

Population

4.5 The population of Worcestershire was estimated to stand at 556,000 in 2009. The County has seen growth of just under 9 per cent in its population since 1991, above average for the West Midlands but on par with the national growth rate. Growth rates fell between 2001 and 2009, although there were significant differences amongst the districts over this period with Bromsgrove in particular having seen continued strong growth rates from in-migration. Rurality is especially pronounced in the south; more than 40% of residents of both Wychavon and Malvern Hills districts live in rural villages and hamlets.

<table>
<thead>
<tr>
<th>Table 4-1: Key Population Data for Worcestershire</th>
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<tbody>
<tr>
<td>Population (2009 mid year estimate)</td>
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<tr>
<td>Bromsgrove</td>
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<tr>
<td>Malvern Hills</td>
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<tr>
<td>Redditch</td>
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<tr>
<td>Worcester City</td>
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<tr>
<td>Wyche</td>
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<tr>
<td>Wyre Forest</td>
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<tr>
<td>Worcestershire</td>
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</tbody>
</table>

Source: Worcestershire Local Economic Assessment 2010-11
Data sources include 2001 Census, ONS mid-year estimates

4.6 While 75 per cent of residents live and work in Worcestershire, commuting is a key feature for living-working patterns in many parts of the county and the economic connections it has with other areas. As an attractive location for commuters, the three northern districts in particular have seen significant increases in travel to work into the Birmingham conurbation over the past decade. Only 42 per cent of Bromsgrove’s residents work in the district, whereas 68% of Worcester’s population also work in and around the city. The city forms (with Malvern) one of two specific travel to work areas within the County, the other being Kidderminster.

4.7 The age structure of the county’s population and expectations about the way it might change are important drivers of the scale and nature of housing that the area will need to provide in future. Population estimates for 2009 clearly show that the county is over-represented in older age groups (particularly 50-70 year age group) but underrepresented in younger age groups. This is a critical issue both for Worcestershire’s future workforce and the pressure it places on services (increased demand for health care, smaller tax base), and it needs to be addressed in the approach to investment in housing.
In common with many areas of the UK, Worcestershire can expect to see significant further growth in the number of older residents in the county over the next decade. Population projections data suggest overall population growth of 9 per cent to 2031, but an increase in the number of people over the age of 65 which exceeds 70%. Over the same period, the county’s working age population is projected to fall slightly. These trends have significant implications for the size of the County’s future workforce and for the provision of public services in the area.
Offering the right housing in the right places will have an important part to play in attracting more working age people to live and work in the county in the long term.

**Worcestershire’s Economy**

4.10 Worcestershire’s economy thrived throughout much of the 2000s. Many parts of the county have comparatively high rates of entrepreneurship and business formation, a healthy mix of service and manufacturing industries and lower than average unemployment and economic inactivity. The median gross annual earnings of residents in 2009 stood at £25,500, slightly below the England average but higher than that of the West Midlands.

4.11 Higher than average skill levels amongst its resident population are also a feature of many parts of the county, with significant proportions of young people entering further and higher education and a generally well qualified resident population. Ensuring that the county’s economy continues to shift from lower to higher value business activity remains a priority for partners.

4.12 Manufacturing remains the largest employer of people who work in Worcestershire. Around 16% of the workforce is employed in the sector, with health, retail, education and other public sector employment accounting for a significant majority of all employment. The county has a strong innovation base: QinetiQ at Malvern is a globally recognised player in the development of innovative technologies, while the Malvern Hills Science Park, and emerging developments at Bromsgrove Technology Park and Longbridge are expected to provide a substantial infrastructure for high tech business to grow along a corridor which broadly follows the A38. Emerging markets for environmental technologies are seen as a key area for development by partners, while defence, aerospace, security and related information technology are identified as key industries in the LEP proposal.
4.13 The rural economy remains an important part of the way that parts of Worcestershire earn their living. The agricultural sector, including food and drink production, is a significant source of employment for rural towns and villages, and the sector has been identified as a priority in the LEP proposal. In Malvern Hills and Wychavon districts, agricultural businesses comprise 14% and 10% of the business base respectively. Ensuring that affordable housing problems are addressed in rural areas, and addressing low rates of public transport use are identified as key challenges for rural Worcestershire.

4.14 The visitor economy is also an important contributor to Worcestershire’s prosperity. Around 19,000 people are employed in the visitor economy across the County, representing 8% of the total workforce. Alongside well known destinations including the West Midlands Safari Park, Severn Valley Railway, the Malvern Hills (Area of Outstanding Natural Beauty) and the historic city of Worcester, much of the County offers a mix of attractions to visitors including its countryside, canal network, market towns and rural villages.

4.15 The county also has a broadly strong skills base, reflected in a resident population which has a higher than average proportion of residents with more advanced NVQ Level 3 and 4 qualifications. Ensuring that more of these people choose to remain and work in the county is a key issue for partners. However, there are areas of the County where skills attainment level and the take up of training are particularly low, and partners must continue to support a range of measures to secure improvement in these locations.

4.16 The recession has clearly bitten into Worcestershire’s economy, although the county has generally fared better than other parts of the UK. Over the period since 2008, business birth rates have fallen and business failure rates have risen, with knock on effects in the form of rising unemployment. With around 26% of Worcestershire’s workforce employed in the public sector, cuts in public spending are likely to trigger further and substantial redundancies over the next few years. The recession has led to an increase in the proportion of young people (18-24) who are unemployed, with Worcestershire now having a higher than average number of people in this category following the deep recession.

4.17 The recession’s effects have been most pronounced in those areas of the county which already faced higher than average levels of deprivation, unemployment and disadvantage, and this pattern is set to continue as public sector unemployment rises. Areas of Redditch, Worcester and Wyre Forest rank amongst the most deprived 10% nationally in the 2007 Index of Multiple Deprivation. Although deprivation tends to be concentrated in urban areas, a small number of rural areas of Wyre Forest are also ranked amongst the most deprived 20% in the country. Around 6% (36,000 people) of Worcestershire’s population live in households with a median income less than 60% of the England average, a key indicator of poverty.

4.18 The LIP has an important enabling role to play in securing sustainable economic growth in Worcestershire. The priorities partners have identified will help in the process of targeting resources towards economic opportunities for the county and in tackling key problems that will hinder economic progress, notably the need to provide the right mix of housing and employment to meet the needs of businesses and residents.
Table 4-2: Key Economic Data for Worcestershire

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<tbody>
<tr>
<td>Bromsgrove</td>
<td>Education (13%)</td>
<td>63</td>
<td>86%</td>
<td>3%</td>
<td>30%</td>
</tr>
<tr>
<td>Malvern Hills</td>
<td>Manufacturing (15%)</td>
<td>61</td>
<td>82%</td>
<td>2.2%</td>
<td>33%</td>
</tr>
<tr>
<td>Redditch</td>
<td>Manufacturing (25%)</td>
<td>51</td>
<td>76%</td>
<td>4.2%</td>
<td>19%</td>
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<tr>
<td>Worcester City</td>
<td>Health (16%)</td>
<td>45</td>
<td>80%</td>
<td>3.6%</td>
<td>30%</td>
</tr>
<tr>
<td>Wychavon</td>
<td>Manufacturing (19%)</td>
<td>56</td>
<td>82%</td>
<td>2.4%</td>
<td>33%</td>
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<tr>
<td>Wyre Forest</td>
<td>Manufacturing (18%)</td>
<td>47</td>
<td>81%</td>
<td>3.6%</td>
<td>22%</td>
</tr>
<tr>
<td>Worcestershire</td>
<td>Manufacturing (16%)</td>
<td>54</td>
<td>81%</td>
<td>3.2%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Source: Worcestershire Local Economic Assessment 2010-11
Data sources: Annual Business Inquiry 2008, Office for National Statistics
Claimant Count Rate, Office for National Statistics, 2010

Worcestershire’s Infrastructure

4.19 The performance of Worcestershire’s economy and the quality of life of its residents is strongly influenced by its infrastructure. Transport provision, land and property, ICT infrastructure, social and community infrastructure and green space all contribute significantly to the way that Worcestershire functions. Future investment in housing, economic development and regeneration needs to be underpinned by the right level of investment to improve and maintain a strong infrastructure in the county.

4.20 Generally, Worcestershire has an extensive and effective highways infrastructure. The three motorways that run through Worcestershire (M5, M42, M50) provide good north-south and east-west connections, while major urban areas tend to be well served by an effective principal road network. However, further investment to tackle pinch points on the road network (eg. Worcester southern link) and make critical improvements (eg. Abbey Bridge, Evesham) will be essential to maintaining the standard of the network and increasing its capacity where further growth occurs.

4.21 Use of the county’s rail network has not reached the level sought by partners. This is partly attributed to the quality of services and facilities on the network, with links to Birmingham, Gloucester, Bristol and South Wales seen as requiring improvement, including the development of the Worcester Parkway. The capacity of the network around Birmingham to absorb increased rail traffic remains a key constraint on the growth in the number of services into other parts of the West Midlands.

4.22 North Worcestershire has a good supply of employment land to meet demand in the long term. Employment land reviews for Bromsgrove, Redditch and Wyre Forest have indicated that each district has a range of allocated employment sites to accommodate growth in demand for office and warehousing uses, and a supply to meet replacement requirements for the manufacturing sector. There are a number of sites (eg. 24Ha former British Sugar site, Kidderminster) earmarked for regeneration.
4.23 South Worcestershire’s draft joint core strategy identifies a shortfall of around 61 Ha of employment land for the period between 2006 and 2026. The allocation of additional land is required in each of the 3 districts, with Worcester city requiring the most substantial increase in supply. Further development of the Bosch operation in Worcester and the future expansion of QinetiQ are among the factors expected to generate strong demand for employment land.

4.24 The quality and coverage of the county’s broadband infrastructure will be an increasingly important issue in the growth of its economy. While provision in urban areas is generally good, partners have given priority to improving broadband infrastructure in rural towns and settlements. With the roll out of superfast broadband expected to commence in 2011, partners are gearing up to ensure that maximum access to the network is achieved in all parts of the county.

4.25 Worcestershire’s green infrastructure is both an increasingly important source of employment (environmental economy) and a key factor in the characteristics that have given much of the county a good reputation for the quality of life it offers. An estimated 91,000 people work in the environmental economy in sectors ranging from environmental technologies to tourism. These industries are seen as a vital part of the future economy of Worcestershire, and partners are seeking to invest in ways which will support their growth. At the same time, striking a balance between pressure to develop in attractive edge of town/rural areas with the need to protect the natural environment and areas of outstanding natural beauty is a key challenge for planners in the county, and one which is reflected in the LIP.

**Worcestershire’s Housing Markets**

4.26 In a large county covering an area of 1,471 sq km, Worcestershire’s housing markets are characterised by a northern area which has a strong relationship with Birmingham, Solihull and the Black Country and by a more economically self-contained area in the south in which the growth and strong economic performance of Worcester City has been a key factor in determining the size and value of local housing markets.

4.27 The draft Local Economic Assessment for Worcestershire (2010-11) identifies eight housing markets in the county highlighted in the map below.
4.28 Worcestershire’s housing markets have been through a sustained period of buoyant demand during the 2000s. Between August 2001 and July 2010, average prices in the county rose from £100,000 to £167,000, peaking at £190,000 in December 2007. Detached house prices almost doubled between August 2001 and December 2007. Over a decade which saw unprecedented rates of growth in house prices, the six Worcestershire districts contributed to the southern housing market area (HMA) of the West Midlands experiencing the highest price inflation of any of the region’s HMAs.

4.29 However, the housing sector in Worcestershire has been particularly hard hit by the recession. Sales have fallen dramatically from their peak in 2006, while the completion of new homes also fell sharply after 2007 as house builders bore the brunt of the credit crunch. In a county in which lower quartile affordability ratios are significantly higher than both the national and West Midlands averages, the recession has further exacerbated the impact of affordability problems on Worcestershire’s economy.
4.30 Despite the recession, one of the main effects of the recent period of strong demand is that Worcestershire now has some of the highest value housing markets in the West Midlands. Local housing markets within parts of south Worcestershire have some of the highest cost housing in the West Midlands, with prices having risen particularly sharply during the mid 2000s. For example, Malvern Hills has seen substantial price increases allied to higher than average increases in average household income in recent years. This reflects a combination of the area’s AONB status, a reputation for its high quality of life and high levels of well paid knowledge workers with the location of QinetiQ in the district.

4.31 In common with much of the UK, price inflation has resulted in significant affordability problems in Worcestershire, and this has become an important issue for the county’s economy. Data for 2009 shows a county wide lower quartile affordability ratio of 7.3, well above the regional (5.8) and England (6.3) averages. The affordability issue is most pronounced in those areas which have seen strong rates of in-migration in recent years (eg. Wychavon and Malvern Hills) in the south of the county, but even in lower cost local housing markets (eg. Redditch), the lower quartile income-price ratio still stands at 6.4, ie above average. This issue reflects the characteristics of local housing markets in an area which is seen as a desirable place to live with good standards of living, good quality services and easy access to large employment centres in both the Midlands (Birmingham) and, increasingly, the south east.

4.32 Affordability problems are especially acute in the starter homes market. For South Worcestershire, housing market data point to a mismatch between incomes and house prices which is especially acute in the family starter homes market (2 bedroom). At the same time, Worcester, Droitwich and Evesham have been identified as having the biggest current and projected shortages of affordable housing. Redditch and Wyre Forest have the biggest stock of more affordable property with 24.2% and 25.7% of properties sold in 2008/09 for under £120,000 compared to just 5% in Pershore.

4.33 A key outcome of high housing costs has been difficulties for particular population groups in securing a foothold on the housing ladder and their ability to climb the ladder. Evidence generated for the strategic housing needs assessment for South Worcestershire underlines particular problems faced by young families seeking to purchase a first house or rent a property, and those with expanding/growing families. For those who cannot afford to buy property, the challenge is exacerbated by a supply shortage of property for rental in the £500-600 per month category. For Worcestershire’s economic development, this is an issue both for the growth and prosperity of its town and for the sustainability of rural communities, where prospects of living and working in the same location are severely restricted by a lack of affordable property and limited employment opportunities.

4.34 High levels of demand for housing in some areas of Worcestershire have been fuelled by its position as an attractive location for commuters. Data for earnings in Bromsgrove show that resident average earnings are £8,000 higher than workplace earnings, underlining the extent to which the area has attracted well paid commuters who are working in Birmingham and the surrounding area. However, the pattern is not replicated across the County. While parts of Wyre Forest have seen increases in out-commuting, this has not been matched by strong demand for new homes in the district, and house builders have shown comparatively limited interest in the area.
4.35 The high level of in-migration to Worcestershire has presented a complex challenge for south Worcestershire’s housing markets, where evidence suggests that in-migration by buyers with the financial means to purchase family homes is crowding out potential local buyers on lower incomes. Travel to work data produced by the West Midlands Regional Observatory (March 2010) show that in managerial and professional occupations, Worcestershire has a very strong relationship with Birmingham. Mobility within local housing markets is further restricted by a tendency (identified in the Strategic Housing Needs Assessment) for older people to retain family housing because of a shortage of stock and development aimed at ageing residents.

4.36 Local housing market areas faced with high demand have been constrained in their ability to develop new housing, although the pattern has not been a consistent one across the county. For example, Worcester’s geographic expansion has been bounded by controls on new development on the edge of the town. Clearly, market forces have also played a critical role in supply side issues, with a preference for higher value developments and apartment schemes inevitably overriding pressure for more affordable supply in lower value locations.

4.37 Despite these constraints, the county has a good recent record of delivering new homes, reflecting the commercially attractive environment it continues to offer private sector developers and Registered Providers. During the 2000s, the county achieved a house building rate of 1,900 units a year on average. However, the recession has resulted in a marked fall in new completions, and the county fell well short of the Local Area Agreement target for completions in 2008-09. While there are some signs of recovery in the market, it has been slow to emerge and continued economic uncertainty makes it a difficult climate in which to bring forward new housing schemes.

4.38 Following the decision to revoke the Regional Spatial Strategy for the West Midlands, housing targets will be set by the core strategies currently being produced by each of the county’s district authorities. However, maintaining the level of new build required to meet demand is a key challenge for partners. The draft housing strategy for Worcestershire indicates that 2,277 additional affordable homes are needed each year to keep pace with demand. The housing strategy also points to the need for sustained investment in new housing stock to meet demand from older people, including extra care and specialist care provision. Projected increases in the number of people over the age of 65 also require a remodelling of the existing stock to offer more aspirational homes for purchase and rent.
5. Strategic Priorities for Worcestershire

5.1 This section of the LIP sets out a series of **twelve strategic priorities** for Worcestershire. These priorities have been identified as critical to shaping the long-term future of the county, spanning economic development and regeneration, housing and the principal infrastructure requirements to underpin the place shaping process. They have been informed by the analysis in the preceding section and by the aspirations already identified across Worcestershire in strategies ranging from town centre regeneration plans to the newly formed Local Enterprise Partnership proposals.

5.2 The priorities contribute to the delivery of **three overarching objectives**. These are:

- First, creating the environment for Worcestershire's businesses to sustain and generate new employment. During a period which has seen rising unemployment UK wide, there is a need for a period of sustained private sector job creation in Worcestershire to tackle the impact of recession and expected falls in public sector employment. There is a particular need to continue generating more knowledge-intensive, high value employment in the county, investing in the sites, premises and skills and supporting measures that enable partners to continue the transition from lower to higher value business activity. A supply of the right sites and premises and the broader attractiveness of the area to business investors are critical.

- Second, providing housing that meets the needs of all communities. Worcestershire needs to provide a choice of housing that meets the needs of all its resident communities and its employers, wherever they are located. The importance of developing more affordable housing options is widely recognised, with many areas facing particular shortages of 2-3 bedroom family homes. Partners have also signalled the priority they continue to attach to the provision of social rented housing, while the provision of new and improved special needs accommodation, including supported housing for vulnerable people, will continue to be a key issue for partners. To create employment and generate wealth, Worcestershire needs to ensure that it attracts and retains a workforce with the right skills in the right locations, and housing has an important part to play in achieving this objective.

- Third, developing Worcestershire's infrastructure. The drive to generate employment and secure the county's future workforce has to be underpinned and enabled by high quality infrastructure. There are already well established strategic infrastructure requirements across Worcestershire, while future development will require new investment to upgrade and add to infrastructure provision. These range from investment in maintaining and developing the highways infrastructure to Worcestershire's ability to provide the social and community infrastructure (eg. schools, community buildings) that is essential for well functioning communities. Partners are now in the process of determining their future requirements for infrastructure through the Worcestershire wide strategic infrastructure delivery planning process.

5.3 Each of the twelve priorities are described in more detail in the remainder of this section. Identified within each priority are some of the **individual schemes** that partners believe are required to deliver change. These schemes are presented on an area by area basis at the
conclusion of Section 5.

5.4 As the LIP is updated over time, partners will clearly refine their lists of individual schemes to reflect the delivery of sites and schemes, new investment opportunities that emerge and the availability of public and private sector funding.

**Figure 5-1: Worcestershire LIP : Summary of Strategic Priorities**

- **Creating the Conditions to Sustain and Generate Employment**
  - Priority 1: Developing high growth employment sites
  - Priority 2: Creating and sustaining employment in Worcestershire’s main centres
  - Priority 3: Supporting the economic sustainability of Worcestershire’s towns

- **Providing the Right Housing for All Communities**
  - Priority 4: Developing housing to support high growth employment sites and main employment centres
  - Priority 5: Supporting housing markets in Worcestershire’s towns
  - Priority 6: Delivering sustainable rural housing
  - Priority 7: Meeting special needs
  - Priority 8: Improving the existing housing stock

- **Developing Worcestershire’s Infrastructure**
  - Priority 9: Strengthening the highways infrastructure
  - Priority 10: Improving public transport
  - Priority 11: Developing social, community and green infrastructure
  - Priority 12: Managing Worcestershire’s resources

### Creating the conditions to sustain and generate employment

**Priority 1: Developing High Growth Employment Sites**

5.5 There are a number of key employment sites across the county which are critical to delivering a high volume of employment opportunities, particularly in higher skilled, knowledge intensive sectors of the economy. Partners will continue to invest in these sites to secure their long term future, as well as bringing forward other sites through LDF processes. Clearly, the release of some key sites may be determined by the availability of investment (including infrastructure investment), and partners will need to continue to be flexible in their approach to future supply.

5.6 Key high growth employment sites for Worcestershire, on which planning consents have already been granted, include:

- Enabling the development of Worcester Technology Park, including provision for the expansion of Worcester Bosch, is a key priority for the County. Proposals to develop
a 30 Ha site to the south east of J6 of the M5 in Wychavon district will provide a new headquarters and R&D location for Bosch Thermotechnology, and in turn anchor the business park as a nationally recognised hub for knowledge intensive business activity and low carbon technologies. This development is a key scheme for Worcestershire’s Local Enterprise Partnership and is the subject of a bid to the Regional Growth Fund.

- Continued investment in Malvern Hills Science Park following the completion of phase 3 of the development in 2009. The site’s proximity to QinetiQ and the growing number of technology driven businesses operating on the site make it a primary location for higher value business activity in Worcestershire. Supporting future business activity driven by QinetiQ is also central to partners’ aspirations for the economy.

- Support for the future development of other locations on or around the A38 corridor for technology intensive business activity, including Bromsgrove Technology Park and potential development of the Longbridge Technology Park as part of the wider regeneration of the former Rover site at Longbridge. The Longbridge development is key priority for the Birmingham and Solihull Local Enterprise Partnership, and a £22 million bid for Regional Growth Fund support has been submitted by St. Modwen, the developer. The scheme has the potential to create up to 4,000 new jobs, many of which are likely to be taken up by residents of North Worcestershire.

5.7 Together, these sites broadly follow the A38 corridor extending from the southern Birmingham conurbation through to Worcester and Malvern. Over the past decade this has been identified as a key area for the growth of high technology industry in the West Midlands, and further investment in these sites is a priority for the County.

Priority 2: Creating and Sustaining Employment in Worcestershire’s Main Centres

5.8 The city of Worcester and the towns of Kidderminster and Redditch will continue to function as key centres for employment in the county. Partners are seeking to invest in each of these locations to generate new employment (new and improved sites and premises, improved environment for existing businesses), sustain existing employment and ensure they are linked to supporting investment in housing and infrastructure:

- In Worcester, expansion of the University of Worcester and Worcester College of Technology have been earmarked as important catalysts for generating additional skilled employment in the city. Growth of the city’s economy will be fuelled by both knowledge intensive industry and a service sector in which the visitor economy makes a particularly important contribution. The exciting £60 million development of the Worcester Library and History Centre will be a further stimulus for regeneration and employment in the city.

- For Kidderminster, there are opportunities for major new mixed use developments

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2 Worcestershire, Redditch and Kidderminster were defined as the County’s three strategic centres in the West Midlands Regional Spatial Strategy.
in the town identified in the ReWyre prospectus for regeneration. The town centre is the focus of a 30 year vision to restructure the economy and revitalise the area, with a strategy in place to significantly improve retail and leisure provision and develop new office space, allied to investment to improve the living environment. Bromsgrove Street and Worcester Street, together with the Weavers Wharf area, will be the focal point for redevelopment. There are also major opportunities for employment development on the former British Sugar site and the wider South Kidderminster Business and Nature Park initiative, connecting the Severn Valley Railway and the surrounding countryside to an employment location that could create up to 2,000 new jobs on the strategically important Kidderminster-Stourport corridor. Plans for the further development of two key tourism assets - West Midlands Safari and Leisure Park and the Severn Valley Railway – are also seen as opportunities to create new employment for the area.

• The challenge for Redditch is one of economic restructuring, with investment in housing and regeneration needed to sustain and further develop the town’s position as an economic centre. Large scale redevelopment of the town centre and its infrastructure is a key priority for the district and the subject of a number of Supplementary Planning Documents. The strategy for the town centre includes new mixed use residential, retail, cultural and leisure development and significantly improved transport provision and public realm. Proposals include major expansion of retail space to complement the Kingfisher Centre, the development of new office space and residential units in the Prospect Hill area and a remodelling of parts of the town centre (particularly Church Green) to improve the image of the area and encourage a more dynamic evening and night time economy. There are also proposals to regenerate Redditch’s district centres, with Church Hill having been identified by the Council as a pioneer scheme to secure long term improvements in retail provision, residential and leisure uses in these areas of the town.

Priority 3: Supporting the Economic Sustainability of Worcestershire’s Towns

5.9 Ensuring the economic sustainability of each of the County’s towns has been identified as a key thematic priority by partners. While the towns are marked by their diverse characteristics and needs, they are united by the important functions they perform as local service centres, their contribution to sustaining vibrant local communities and their economic roles as places for employment and tourism.

• Alongside the presence of Longbridge and Bromsgrove Technology Park, investment in Bromsgrove town centre is a priority for the district to reinforce the key economic role the town plays in the area. Further improvements to retail provision in what is already an attractive town centre and the development of new, small office space to meet demand from small businesses will generate new employment. Proposals for Bromsgrove town centre include a potentially innovative high density residential complex (Recreation Road site) of up to 100 units targeted at retired people with on site facilities such as shops, restaurants, services and communal facilities.

• Alongside major locations for high value employment around the town, further investment to maintain and improve Malvern town centre is seen as a priority by
partners. This includes the quality of its retail provision, the availability of office space to meet demand in what has proved to be a popular location for SMEs and continued investment to maintain a high quality public realm, in turn strengthening the town’s role as a visitor destination.

- There is a dual need in Droitwich Spa to secure new employment to enhance its role as a local commercial centre and to enable it to fulfil its wider market town role in rural regeneration. Investment in new, small office accommodation will help to build on its platform of service sector employment. Restoration of the canal network is a key regeneration priority for the town, contributing to its continued ability to attract visitors to the area. This is expected to create new development opportunities for the town, and attract investment in local hotels and other visitor facilities.

- Following floods in 2007/8, a priority for Evesham has been clearing and dredging the flood plain in the town. Alongside this, regeneration of the riverside area includes developing the Evesham Water Sports Centre, and a range of path and walkway improvements. Support to local businesses during the construction phase of the Abbey Bridge replacement is seen as a key priority for the local economy. The Market Town Partnership prioritises the promotion of Evesham and the wider Vale area to retain and attract inward investment. This focuses on presenting Evesham as a business and tourism destination. New investment opportunities from the Vale business park, restoration of the Regal cinema and proposals for major new investment at Evesham Country Park have also been identified as local priorities.

- Stourport’s close proximity to Kidderminster and the importance of the South Kidderminster Business and Nature Park initiative means that the northern side of the town will have a key role to play in providing employment. For Pershore, Upton and Tenbury, continuing to invest in attractive town centre environments and provide a good supply of small office space are common priorities. In Pershore, there are opportunities to expand the Keytec 7 business park.
Figure 5-2: Creating the Environment for Worcestershire’s Businesses to Sustain and Generate New Employment

Source: Digital Mapping Solutions from Dotted Eyes, © Crown Copyright, All rights reserved. Licence number 100019918
Providing the Right Housing for All Communities

Priority 4: Housing to Support High Growth Employment Sites and Main Employment Centres

5.10 An overwhelming majority of the sites and schemes identified for housing across Worcestershire have the potential to contribute to the provision of homes that will support aspirations for employment growth in Worcester and the county’s major employment locations. This is about offering the right housing product in the right place, at the right time.

5.11 It is essential to provide a good, long term supply of housing located close to or within reasonable travelling distance of the main locations for employment growth, including Worcester city, Kidderminster, Redditch and the specific sites identified as the focal points for future employment generation in the county. It is particularly important that, where there is potential to significantly increase employment over the next few years, this is not constrained by a lack of housing to accommodate an expanding workforce. Wyre Forest’s adopted core strategy, the draft core strategies for other districts and the draft LTP3 all underline the importance of new employment development taking place in sustainable locations, where public transport and short journeys are the available best option for travel.

5.12 Partners have identified a wide range of schemes which together would deliver significant and sustained increases in the supply of homes to underpin Worcestershire’s economic growth aspirations. Among the key locations identified by the LIP are:

- Growth in Worcester city’s housing stock, where there is strong demand for significant new development to take place over the next decade and beyond. This growth in housing supply, including a substantial component of affordable property, is vital to support employment growth in the city and in surrounding settlements, including Malvern. It will play an important role in underpinning future economic growth in Worcester, a key strategic priority for the County’s economy. New housing development to accommodate growth in both Worcester and Greater Malvern is seen as particularly important to the planned expansion of Worcester Bosch, and both the local authorities and Registered Providers will have a key part to play in ensuring that the company has access to the workforce it needs.

- Large scale proposed developments in Kidderminster, which are essential both in maintaining the town’s status as an important employment centre and in the regeneration of the town centre and surrounding area. The adopted core strategy identifies a need for 4,000 net additional dwellings from 2006-2026, with 60% of this to be delivered in Kidderminster. There are plans for major housing developments in the Churchfields regeneration area, which will deliver around 350 units, including a key affordable housing development of 97 units on Hurcott Road which help to unlock the wider development of the area. There is potential to develop a further 300 houses on the former British Sugar site, which is currently the subject of a masterplanning exercise.

- There are large scale development opportunities of several key sites in Redditch,
including the Brockhill East site (825 units), development at Brockhill West (167 units), land to rear of Alexandra Hospital (145 units) and the Woodrow strategic sites (Dingleside Middle School & Playing Fields, Auxerre Avenue, 220 units). These would deliver around 60% of the net additional dwellings requirement for the district identified in the draft core strategy.

- Both the Longbridge development and the Bromsgrove Technology Park reinforce the position of Bromsgrove as an important residential location for both Worcestershire’s workforce and people commuting to other employment locations in the West Midlands. Priority housing locations include the Sustainable Urban Extension (Perryfields, Norton Farm, Whitford Road) which has the potential to deliver 1,850 housing units, the Longbridge East site (524 units) and major development sites at Alvechurch, Frankley, Hagley, Barnt Green, Catshill, Wythall and Wagon Works (936 units).

- With key employment sites located on the edge of the town, Malvern will continue to need new housing to meet the needs of the local economy, major employers and Worcester. There are opportunities for larger scale development (250-300 units) to be accommodated on part of the QinetiQ site.

**Priority 5: Supporting the Vitality of Housing Markets in Worcestershire’s Towns**

5.13 It is essential that there is continued investment in Worcestershire’s towns because of the key role they play in sustaining communities, including the large rural areas which many serve. The vitality of these towns is integral to Worcestershire’s Sustainable Communities Strategy, particularly to the priority of ensuring that economic success is shared by all. They are also highlighted as a key spatial focus in the county’s economic strategy.

- There are opportunities for significant new housing development in Stourport. New housing provision in the town is important both to strengthen its role as a local employment centre and visitor destination, and to its strategic connection with Kidderminster (Kidderminster to Stourport employment corridor, South Kidderminster Business and Nature Park). Bewdley also has a smaller but still important contribution to make to housing provision in Wyre Forest, with potential for residential development in the Load Street regeneration area.

- There are significant housing development opportunities in Evesham, with a range of sites capable of delivering in excess of 1,500 homes and mixed uses. Large developments include those at Offenham Road and Pershore Road.

- There are opportunities for significant new housing development in Droitwich Spa to support the key role the town plays as Wychavon’s largest settlement. New housing provision is key to meeting local housing needs, natural increases in the population and in supporting the economic development ambitions of the district and county.

- There is potential for Pershore to accommodate significant new housing demand, through a number of Registered Provider owned and privately owned sites in the town. The LIP has identified several small brownfield sites which have the potential
to provide a mix of market and affordable housing in a town that has faced strong demand pressures.

5.14 The needs of these towns are multi-faceted, but all are linked by a need to provide more affordable housing, to secure the regeneration of brownfield sites (housing, employment and other uses) and improve the quality of the environment they offer to residents and visitors. Deliverability in these areas is an issue, with greenfield sites and development boundaries (eg. Pershore) strongly influencing the scale and type of housing that could be delivered.

**Priority 6: Delivering Sustainable Rural Housing**

5.15 With large rural areas, the provision of sustainable housing development in Worcestershire’s many villages and hamlets represents a thematic priority for the county in its own right. There are established rural regeneration programmes across the County, together with significant pressures for Worcestershire to sustain a thriving rural business base, including a significant agricultural sector. In a period which has seen strong demand for rural housing from higher paid people commuting from villages and hamlets or setting up small businesses, affordability for lower paid residents has continued to be a problem. Together with higher transport costs and limited public transport provision, these are key factors in rural deprivation and exclusion.

5.16 While the required numbers of affordable homes to buy or rent are comparatively small and are dispersed over a wide area, their importance to the viability of communities in many of Worcestershire’s villages and hamlets cannot be underestimated. This theme is common to all of Worcestershire’s constituent districts, and partners are already seeking to address needs through a range of mechanisms including the Rural Housing Enabler and closer working with existing rural communities to look at how barriers to development in sensitive areas might be lifted. In compiling the LIP, partners have identified more than 60 individual sites which would contribute to sustainable rural housing. These fall under the following broad categories of priority:

- Affordable homes for purchase or rent, including shared ownership properties. Partners have identified many sites owned by either Registered Providers or a local authority with potential for development to take place between 2011 and 2015. There are additionally privately owned sites with planning consents in place or in progress which will also contribute. With limited grant funding available to subsidise such development, the key here will be to assemble packages of sites with the potential to generate cross-subsidy.

- A continued need to provide socially rented properties for residents of rural communities on lower incomes or who are economically inactive.

- A limited volume of specialist housing, particularly for elderly residents of rural communities.

5.17 Relatively small investments can have a significant impact in meeting highly localised rural housing needs and tackling the broader issues faced in rural economies. However, partners recognise that in a changed funding environment, securing critical grant funding to enable the development of affordable rural housing will be particularly challenging given
requirements to maximise returns on investment in affordable housing schemes. They will seek to work with the HCA and other partners to explore how land assets, planning powers and funding resources can best be brought together to increase the supply of affordable rural housing. For example, a number of local authority districts are reviewing their commissioning arrangements to ensure greater efficiencies in the development of affordable homes in rural areas.
Figure 5-3: Providing the Right Housing for All Communities

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Priority 7: Meeting Special Needs

5.18 Partners across Worcestershire are clear that they will continue to seek to provide housing which meets the needs of an extensive range of particular needs. This is about both upgrading existing stock and the supply of new stock in response to the changing needs of Worcestershire’s communities. The key issues covered under this thematic priority include:

- Housing for older people. There is a need to improve and develop the range of housing products available for older residents in Worcestershire. Existing extra care and sheltered housing schemes require re-investment, while there is evidence of rising unmet demand for extra care provision from an expanding population of older people. There is also a growing need to ensure that older people are offered greater choice in the housing available to them, ranging from homes to buy to those which offer the most intensive forms of care. County wide research is currently being prepared to assess the areas of most acute need for this type of housing, and a number of districts are developing proposals for extra care housing schemes in partnership with Registered Providers.

- Supported housing for people with disabilities. There is a continued need to provide supported accommodation for people with physical and learning disabilities. Worcestershire’s growing population of older people means that demand for this type of accommodation is likely to increase significantly in the long term, both to enable people to live independently and to meet rising demand from conditions that are most common in elderly residents (eg. people suffering from dementia).

- Supported housing for young people. There is an identified need for accommodation targeted at young people including support to tackle homelessness and to address the issues faced by the growing number of young people not in education, employment or training. Key examples include the requirement for a new Foyer development in Kidderminster, additional accommodation in Worcester City and provision across the County for young people with chaotic lifestyles.

- Supported housing for other vulnerable groups. Partners have clearly identified needs for supported housing for vulnerable residents including homeless people, women experiencing domestic abuse, people with mental health problems, people with substance abuse problems and ex-offenders. Partners have made good progress in reducing instances of homelessness amongst vulnerable groups, but want to build on successful schemes (eg. Stonham) and offer the mix of specialist accommodation that will continue to be required.

- The provision of sites for gypsies and travellers, with requirements for the allocation of additional pitches identified in planning policies in several of Worcestershire’s local authority districts. A modest volume of new provision is needed over the period to 2017, although it is anticipated that a substantial proportion of this could be accommodated on existing sites owned by Registered Providers or the local authorities.

5.19 Achieving partners’ wide ranging objectives under this thematic priority is a challenging task.
Nationally, the HCA is expected to have limited funding to invest in accommodation in this category, and there is also uncertainty about the future availability of the revenue funding which is essential to provision of this kind. The onus will be on partners to find creative ways to assemble the land and capital investment to bring forward new schemes or invest in existing schemes. It is also essential to ensure that there are strong links to the main County wide strategic plans. In this respect, the Worcestershire Supporting People programme is particularly significant, since it strategically commissions and then provides substantial revenue funding for new and existing housing schemes and initiatives.

**Priority 8: Improving the Existing Housing Stock**

5.20 The overwhelming majority of social rented housing stock in Worcestershire is now classified as decent, the outcome of sustained investment over a long period. However, partners have a continued and pressing need for investment to raise the standard of private rented stock across the county. Homes in multiple occupancy represent a particular challenge for partners, with Worcester city and Redditch having a relatively high proportion of private rented accommodation in this category. In developing indicative priorities for the LIP, partners have identified a number of cross-cutting priorities under this theme.

- Improved thermal comfort standards, including grant schemes to enable home owners and tenants to fit insulation, and multi-agency work to tackle the risk of hypothermia in elderly people. In a number of cases (eg. thermal insulation grant schemes), local authority funding is available.
- Energy efficiency measures, including the retrofitting of cladding and condensers, or support for the installation of renewable energy technology in new build and existing homes.
- General grants and loans for home repairs and improvements to private sector stock. In some districts (eg. Redditch) there is a particular focus on improvements to homes in multiple occupancy.
- Continued investment to bring empty homes into active use.

5.21 This is a difficult issue for partners to tackle. The county’s draft housing strategy estimates around £635 million of investment is required to achieve the Decent Homes standards to which partners are committed. Local authorities have limited scope to provide capital investment for this segment of the market, since it requires direct financial assistance to be provided to owners for improvement. Partners will need to look to the expertise and wider resources of the HCA in this area to assist in finding new and innovative mechanisms to deal with this issue.

**Developing Worcestershire’s Infrastructure**

5.22 Strong infrastructure is vital if Worcestershire is to achieve the aspirations it sets out in the LIP. This means both improving and upgrading the existing infrastructure and securing investment in the development of new infrastructure. Securing this investment is a particularly challenging task at a time when the supply of new public sector investment for infrastructure will be limited, and it underlines the importance of both prioritising and finding innovative ways to bring together public and private sector resources.
5.23 At this juncture, the LIP presents only an initial list of infrastructure investment priorities. Partners are currently engaged in assessing or reassessing their requirements, and there are a number of processes underway which are not yet complete. Worcestershire County Council is preparing a county wide delivery plan for infrastructure that will identify priorities for investment and provide a comprehensive picture of the range of infrastructure that is required over the next decade and a half. A first draft is expected in Spring 2011. Long term infrastructure requirements for Worcestershire to 2026 identified in the West Midlands Regional Spatial Strategy are now under review following the revocation of RSSs nationally. These requirements were based on housing growth targets for each district that may be reformulated or rejected through continuing work on Local Development Frameworks.

5.24 To reflect this continuing process of planning for infrastructure investment, the specific infrastructure requirements identified in this section are drawn from several sources:

- Studies carried out by Baker Associates during 2008 and 2009 which informed the infrastructure assessment for the West Midlands Regional Spatial Strategy.
- The revised draft LTP3, published by Worcestershire County Council in February 2011. This provides a comprehensive picture of infrastructure priorities.
- District authority planning documents, including adopted core strategies, draft core strategies and associated infrastructure studies.
- Initial assessments of infrastructure requirements associated with employment, housing and regeneration schemes identified by the LIP. Where schemes are at an advanced stage in the planning process, there is a reasonable degree of certainty involved. In other cases, infrastructure requirements are yet to be firmly established, and there will be additional uncertainty about funding mechanisms in some instances.

Priority 9: Strengthening the Highways Infrastructure

5.25 Maintaining and improving the road network is critical to Worcestershire’s capacity to accommodate further housing and employment growth. A substantial list of schemes are in need of investment ranging from improvements to the motorway and major road infrastructure. This is about replacing ageing infrastructure, dealing with significant congestion problems (eg. central Worcester, Kidderminster-Stourport corridor) and developing new infrastructure to facilitate growth. Where possible, the LIP has sought to identify schemes that are critical to sustaining and creating employment, to large scale housing schemes and to the broader functioning of Worcestershire’s economy.

5.26 The key source for investment priorities in the highways infrastructure is Worcestershire’s Local Transport Plan 3, which was published in February 2011. Partners across the County seek investment in an extensive range of highways schemes and individual employment and housing sites will require new or improved highways infrastructure. However, the LTP3 presents the results of a comprehensive process of prioritising highways schemes based on criteria including deliverability/costs, economic and environmental impacts, benefits to quality of life, equality, public health and safety. It identifies a number of major schemes which require investment over £5 million, essentially the strategic priorities for the County
for the next 15 years at a time of uncertainty about the scale and type of funding available to support such schemes. These are important to the delivery of LIP priorities and include:

- **Evesham Abbey Bridge and Viaduct Major Scheme** - Key project for the County which is expected to be delivered by 2014-15 and which is essential to maintaining road access to Evesham.

- **Worcester Transport Strategy (Phase 1) Major Scheme** – Includes highways improvements along with a package of measures to improve rail and other public transport infrastructure.

- **Kidderminster Transport Strategy Major Scheme** – A major package of investments including improvements to the town’s central road network.

- **Redditch Transport Strategy Major Scheme** – Investment package which includes improvements to the town’s ring road and other parts of the highways network.

5.27 The LTP3 also identifies a series of packages for a number of areas of the County which include highways improvement schemes and will be funded through major scheme investment plus a variety of sources of public and private sector funding. Where possible, the LIP has sought to highlight schemes which are particularly important in delivering housing growth and employment development priorities. Examples include:

- A range of improvements across Worcester and its surrounding area including M5 improvements at Junction 6, junction improvements on the southern link road, improvements to the city’s arterial network and city centre loop, junction enhancements on the A4440 and B4550, the North West and Southern Link Road schemes, Park and Ride Sites (Crown East and Ketch), improvements in the Shrub Hill area.

- Key schemes in Redditch including the Bordesley Bypass.

- Schemes in Kidderminster as part of the Wyre Forest Transport Strategy including the Hoo Brook link road and ring road improvements. Key schemes for Stourport include the A451/Minster Road junction improvement scheme and the Stourport relief road. A package of rural road improvements is also earmarked in the LTP3 for Wyre Forest covering the A456 (Kidderminster to M5 Junctions 3 and 4), the A448 and A449.

- The Bromsgrove Eastern Bypass scheme.

- A series of rural package schemes for the north of the County including improvements on the A38 (Wychbold-Bromsgrove-Crofton Hackett), A448 (Redditch to Bromsgrove), A441 (Redditch-Hopwood), A456 (Redditch-Maypole Roundabout).

- Rural package measures for the south of the County including improvements to the A422, A449, A38 linking Tenbury Wells, Droitwich Spa, Alcester and Malvern with Worcester and improvements to the B road network.

- Improvements to 2 link roads in Pershore (Racecourse Road to Station, Keytec).
Priority 10: Improving public transport infrastructure and services

5.28 Continuing to invest in improving the County’s public transport infrastructure and services is a priority for partners. The list of schemes is extensive, ranging from large scale investment in railway stations to minor schemes to improve access to information and the safety of public transport networks. Key investments identified by LTP3 which are particularly important in the context of the LIP include:

- Railway station redevelopment or enhancement schemes in Worcester (Shrub Hill and Foregate Street), Bromsgrove and Kidderminster. There are also enhancement schemes identified for Droitwich, Pershore and other smaller stations in the County.

- Rail line upgrades, including Barnt Green-Redditch, capacity improvements for Worcester, Worcester-Evesham dualling, Droitwich-Bromsgrove dualling, Stourbridge enhancement and Honeybourne-Stratford line reinstatement.

- The Worcestershire Parkway scheme.

- Consultations for the LIP have highlighted rail schemes including the improvement of services on the Cross City Rail Line (South), of particular significance to Redditch and Bromsgrove. Potential to better connect the Severn Valley railway to the national network has been highlighted by Wyre Forest.

- Both the LTP3 and submissions to the LIP have highlighted many requirements across Worcestershire for investment to improve bus stations and bus service provision. Most are integrated into package scheme for urban and rural areas in LTP3, although partners have identified a need for specific routes to be introduced or improved to connect housing and employment sites to town centres and transport interchanges. These are identified in the tables at the end of this section.

- A similarly wide ranging set of requirements to improve walkways, cycleways and public realm in Worcester and each town across the County.

5.29 The LIP reflects the key principles that underpin Worcestershire’s approach to public transport investment. As far as possible, new housing and employment development in the County should take place on sites which are in or around urban centres, are served by the public transport network, cycling and walking routes and which contribute to more sustainable travel patterns.

Priority 11: Developing Social, Community and Green Infrastructure

5.30 It is essential to continue investing in maintaining a good quality social and community infrastructure, a wide ranging category that covers schools, hospitals, emergency services, leisure, culture and recreational facilities and green space. New developments and a changing population will trigger a need for new social and community infrastructure, and this will be critical to securing the viability of developments.

5.31 Much of Worcestershire’s future infrastructure requirement will be driven by the scale and location of employment and housing growth delivered in the County. It is therefore difficult at this stage to be precise about some types of infrastructure investment that will be
necessary in future, partly because full planning consents etc. are not yet in place, and partly because of uncertainty about future sources of investment. Where possible, the LIP has sought to identify significant infrastructure needs associated with specific sites and schemes. However, it is important to highlight the range of County wide infrastructure requirements that partners regard as critical to facilitating development and growth. They include:

- Schools and other education facilities – New housing developments and population increases trigger requirements for new schools and other educational facilities. A number of specific investment requirements responding to this need are identified in the tables below. As new and revised housing growth targets are established across Worcestershire, there will be greater clarity about the volume and location of this provision. However, there is a broader requirement for Worcestershire to ensure that educational facilities continue to be improved, whether through investment to maintain/upgrade existing facilities (eg. sites identified for Building Schools for the Future investment, Wyre Forest) or through the development of new facilities to accommodate growth.

- Health care provision – There are similar trigger points for the development of new health care facilities to respond to housing/population growth, and the tables below identify a number of schemes identified by partners. Beyond specific schemes and locations, the need to respond to an ageing population which is expected to place higher demand on health services, together with the need to invest in maintaining or improving Worcestershire’s existing stock of healthcare facilities are priorities for partners.

- Policing and fire service – Large scale housing developments put additional pressure on key emergency services and may trigger requirements for additional capital and revenue investment. For example, development of the Brockhill East site in Redditch is assessed as requiring an additional police post to serve the area.

- Development of parks and other types of green space. Green infrastructure is now firmly embedded in planning policy in Worcestershire, a commitment reflect in core strategies (adopted and draft). Clear standards are applied through local planning policy to the type and volume of parks, open spaces and other forms of green infrastructure secured through development, often through the use of obligations attached to planning consents. Outside of developer contributions, partners will continue to look to invest in improving and maintaining green infrastructure, although it is clear that fewer resources will be available exclusively for this type of scheme. Where possible, partners have identified in the LIP key green infrastructure requirements linked to major developments.

**Priority 12: Managing Worcestershire’s Resources**

5.32 Maintaining a well functioning utilities infrastructure (water management, electricity, telecommunications) will also require additional investment, with new housing developments and employment sites placing further pressure on the network. The impact of climate change and extreme weather events is playing an increasingly important part in the type of investment Worcestershire needs, with flood management and drainage demanding a growing share of infrastructure investment.
Utilities – Specific requirements for investment in the utilities infrastructure will be determined by the scale, location and type of development that takes place. A series of electricity, gas and water/sewage infrastructure requirements were identified in studies which supported the West Midlands RSS. These were based on the RSS preferred option for growth, and the assessments are being revised as growth targets for development are reviewed. However, partners have highlighted a number of requirements including:

- Further development of the County’s broadband network, which will have a key part to play in the future of Worcestershire’s economy. BT has begun the process of rolling out superfast broadband in a number of locations across Worcestershire and additional investment in the network planned in the short term. For example, BT is scheduled to upgrade Worcester’s exchanges by 2011. While high speed broadband availability is an asset for Worcestershire’s economy as a whole, broadband coverage in general is a particular problem in some of the County’s rural areas. Improving coverage will have benefits both to rural communities and to businesses based in these areas. Although some funding has been available to improve coverage in rural Worcestershire (eg. Rural Regeneration Zone funds), securing further investment is important.

- Studies carried out by south Worcestershire partners to inform the joint core strategy identify a need to reinforce the electricity network (132kV and 11kva) supply in a number of locations including Worcester, Malvern, Droitwich, Evesham and Pershore. While no equivalent source of data is available for north Worcestershire, partners will need to assess whether large developments put excessive pressure on a Central Network which is ageing.

- Gas supply network reinforcement in Worcester (West and South), Redditch (North, North West and North) and North West Bromsgrove. This is based on the assessment of need carried out for the West Midlands RSS, so assumes the RSS housing growth trajectory.

- Substantial investment in water treatment infrastructure, with Severn Trent water having identified a number of plants for improvement and investment in new plants where developments are of a scale that requires it.

- Measures to safeguard against flood risk and manage surface water. This has become an increasingly important infrastructure issue for the County. A number of areas are already at risk of flooding, with housing and other forms of development already present in those areas. Planning policy across the County does not favour further development on floodplain areas, although several districts have indicated that future development may take place in areas known to be at higher risk of flooding (Flood Zone 3a). A combination of Sustainable Urban Drainage Systems, related forms of water management plans and other mitigation measures (barriers) are now integrated into local planning policy in Worcestershire. Future developments, including some of those identified by the LIP, will be expected to be accompanied by investment in measures of this type.
5.33 It is important that this initial LIP plays a part in informing the planning of future infrastructure provision that will in turn be vital to the success of employment, housing and regeneration schemes. Its contribution will be particularly crucial where schemes will deliver significant levels of growth in resident populations or employment. However, it is also important to recognise that new housing developments will continue to be a significant source of funding for infrastructure through developer contributions (eg. new Community Infrastructure Levy mechanism), sources including private owner/operator investments and public funding such as LTP3.
Each of the twelve priorities have been described above, together with some of the key individual investment schemes that partners believe are required to deliver change. These schemes are summarised below on an area by area basis. Clearly certain priority themes (rural housing for example) are more important for some districts than others.

### Summary of Strategic Priorities, by Area

#### 5.34

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<th>MAIN INVESTMENT SCHEMES FOR BROMSGROVE</th>
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<td>Creating the conditions to Sustain and Generate Employment</td>
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<td>Developing High Growth Employment Sites</td>
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<tr>
<td>- Longbridge Technology Park and mixed use regeneration scheme</td>
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<tr>
<td>Housing for All Communities</td>
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<tr>
<td>Housing to Support High Growth Employment Sites and Main Employment Centres</td>
</tr>
<tr>
<td>- Longbridge East (700 units)</td>
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<tr>
<td>- Major development sites at Alvechurch, Frankley, Hagley, Barnt Green, Catshill, Wythall and Wagon Works (936 units)</td>
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<td>Supporting the Vitality of Worcestershire’s Towns</td>
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<td>Sustainable Rural Housing</td>
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<td>Special Housing Needs</td>
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<tr>
<td>- Recreation Road retirement complex (Extra Care Housing Scheme)</td>
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<td>- Bungalow development for older people, Bromsgrove</td>
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<tr>
<td>- Supported housing for disabled people aged 18-50</td>
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<td>- Supported housing for young people with chaotic lifestyles</td>
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<tr>
<td>Improving the Existing Housing Stock</td>
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<td>- Tackling hypothermia risks (with Primary Care Trust)</td>
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<td>Strengthening the Highways Infrastructure</td>
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<tr>
<td>- Improvements to M42, Junction 1</td>
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<tr>
<td>- Eastern bypass enhancement scheme</td>
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<tr>
<td>- Junction improvements for access to sustainable urban extension site including Birmingham Road, Perryfields Road/Stourbridge Road, Perryfields Road/Kidderminster Road and Whitford Road</td>
</tr>
</tbody>
</table>
Worcestershire Local Investment Plan

| Improving Public Transport Infrastructure and Services | • A448 Bromsgrove to Redditch improvements  
• New bus link from Perryfields to town centre and station  
• New station scheme for Bromsgrove  
• Extension of Cross City Line South |
| Developing Social, Community and Green Infrastructure | • Improved walking and cycle links  
• Enhanced bus network for Bromsgrove town and district  
• Town centre public realm enhancement scheme  
• New local centre for sustainable urban extension, including retail facilities, community hall, play areas, sports pitches |
| Managing Worcestershire’s Resources | • Potential reinforcing of gas supply network in North West Bromsgrove  
• SUDS measures for new developments |

### MAIN INVESTMENT SCHEMES FOR REDDITCH

#### Creating the Conditions to Sustain and Generate Employment
- Redditch Town Centre redevelopment (office and retail)
- Brockhill East employment site (offices)
- Brockhill West employment site (offices and retail)
- Land to rear of Alexandra Hospital (offices)

#### Housing for All Communities
- Church Hill centre regeneration (57 units)
- Major housing development at Brockhill East (825 units)
- Development at Brockhill West (167 units)
- Land to rear of Alexandra Hospital (145 units)
- Woodrow strategic sites (Dingleside Middle School & Playing Fields, Auxerre Avenue, 220 units)
- Range of small scale developments including purchase and development of Roxborough House, Clifton Close, Wirehill Drive, Loxley Close, Marfield School, Easemore Road, Castleditch, Widney Works, Millfields

#### Meeting Special Housing Needs
- Specialist care housing for elderly people with dementia, Redditch
- Replacement refuge for victims of domestic violence, Redditch
- Affordable housing for vulnerable young people, Redditch
- St. Gregory’s Church development for vulnerable young people
- Conversion of ex-offender housing (Stonham)

#### Improving the Housing Stock
- Insulation and renewable energy grant scheme
- Grant and loan scheme for improvements to HMOs and private housing

#### Developing Worcestershire’s Infrastructure

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## Worcestershire Local Investment Plan

| Strengthening the Highways Infrastructure | • Weights Lane Link Road (Brockhill East)  
• Access from B4184 Brockhill Drive  
• Redditch Transport Strategy Major Scheme  
• Inner Ring Road scheme  
• Bordsley Bypass Scheme  
• Windsor Road/Middlehouse Lane Junction Improvement Scheme  
• Junction enhancements and access to Nine Days Lane for development of land to rear of Alexandra Hospital  
• New access road to Church Hill district centre (Tanhouse Lane to Rickyard Lane) |
|---|
| Improving Public Transport | • Increased rail services on Cross City Line South (Longbridge to Bromsgrove), providing additional services for Redditch  
• Rail infrastructure enhancements on Barnt Green-Redditch branch  
• Enhanced Redditch bus network  
• Sustainable transport provision for all strategic development sites |
| Developing Social, Community and Green Infrastructure | • Shared school/community facility including school and playing field for Brockhill East  
• Improvements to cycling and walking network  
• Implementation of green infrastructure concepts for all strategic development sites identified in Core Strategy |
| Managing Worcestershire’s Resources | • Reinforcing the gas supply network in Redditch  
• SUDS measures for new developments |
### MAIN INVESTMENT SCHEMES FOR WYRE FOREST

**Creating the Conditions to Sustain and Generate Employment**

<table>
<thead>
<tr>
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<th>South Kidderminster Business and Nature Park (Kidderminster-Stourport corridor)</th>
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<td>Creating and Sustaining Employment in Worcestershire’s Main Centres</td>
<td>Kidderminster Town Centre</td>
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<td>West Midlands Safari and Leisure Park</td>
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<td>Supporting the Economic Sustainability of Worcestershire’s Towns</td>
<td>Load St. regeneration area, Bewdley</td>
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**Housing for All Communities**

<table>
<thead>
<tr>
<th>Housing to Support High Growth Employment Sites and Main Employment Centres</th>
<th>Churchfields regeneration area, Kidderminster (350 units)</th>
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<tr>
<td></td>
<td>Former British Sugar Site, Kidderminster (300 units)</td>
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<td></td>
<td>Other sites in Kidderminster including Wolverley Park (72 open market and affordable units)</td>
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<tr>
<td>Supporting the Vitality of Housing Markets in Worcestershire’s Towns</td>
<td>Steatite Way and Bewdley Road, Stourport (272 units)</td>
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<td>Carpets of Worth, Stourport (159 units)</td>
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<tr>
<td></td>
<td>Parson’s Chain, Stourport (3-400 units)</td>
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<tr>
<td></td>
<td>Other sites including Harriers Trading Estate, Wolverley Park, Clent Avenue (all Kidderminster)</td>
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<td></td>
<td>STC.4 Bridge St. Basins Link, Stourport (housing as part of wider regeneration scheme)</td>
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<tr>
<td>Delivering Sustainable Rural Housing</td>
<td>Rural sites including Chaddersley Corbett, Sebright Road (Wolverly), Former Nursery Site, Blakedown (30+ units)</td>
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<tr>
<td>Meeting Special Housing Needs</td>
<td>Bromsgrove St. foyer scheme, Kidderminster</td>
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<td>Supported affordable housing for young people with chaotic lifestyles</td>
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<td>Remodelling of housing stock for elderly people</td>
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<td>Gypsy and traveller pitches (30 additional pitches over 5 years)</td>
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<tr>
<td>Improving the Housing Stock</td>
<td>Insulation grant scheme (up to 400 p.a.)</td>
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<td>Bringing empty homes back into use</td>
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**Developing Worcestershire’s Infrastructure**

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<th>Kidderminster Transport Strategy Major Scheme. LTP3 package may include specific measures outlined below.</th>
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<td>Hoo Brook Link Road (A451)</td>
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<td>Kidderminster Town Centre Ring Road (including access to Churchfields)</td>
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<td>Stourport Relief Road</td>
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<td>Stourport and Bewdley package measures</td>
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<td>Improving Public Transport</td>
<td>Kidderminster station improvement package</td>
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<td></td>
<td>Kidderminster Town Centre Pedestrianisation - including new bridges in Churchfields and Town Centre</td>
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<td></td>
<td>Enhanced Kidderminster and Stourport Bus Networks</td>
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<tr>
<td></td>
<td>Severn Valley Railway to national rail network, including possible halts at British Sugar and West Midland Safari Park</td>
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<td></td>
<td>Improved Kidderminster and Stourport cycling and walking links</td>
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<tr>
<td>Developing Social, Community and Green Infrastructure</td>
<td>Wyre Forest Schools Review - fit for purpose school buildings - review following closure of the BSF programme WF BSF programme was fairly advanced</td>
</tr>
<tr>
<td></td>
<td>Medical - Consolidation and fit for purpose modern GP Practices including proposed replacement/ consolidation of at least 4 practices in Kidderminster;</td>
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<tr>
<td></td>
<td>Stourport Community Facilities Project - on-going review of facilities</td>
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<td></td>
<td>Bewdley Community Facility Project including new arts and medical (health centre) facilities</td>
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<td></td>
<td>Civic administration - Wyre Forest District Council single site office accommodation</td>
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<tr>
<td>Managing Worcestershire’s Resources</td>
<td>SUDS measures for new developments</td>
</tr>
</tbody>
</table>
## MAIN INVESTMENT SCHEMES FOR WORCESTER

### Creating the conditions to sustain and generate employment

| Developing High Growth Employment sites | • Supporting the expansion of Worcester Bosch  
• Expansion of University of Worcester and Worcester College of Technology |
| Creating and sustaining employment in Worcestershire’s main centres | • Providing strategic leisure, retail and cultural services for wider catchment |

### Providing the right housing for all communities

| Developing housing to support high growth employment sites and main employment centres | • Strategic growth centred on the release of urban capacity within the City and consideration of possible urban extensions through the South Worcestershire Development Plan (SWDP) process (South Worcester and Worcester West)  
• Housing development in St John’s Area of the city (Bransford Road sites, 284 units)  
• Earls Court Farm housing development  
• Estate renewal and regeneration in Dines Green |
| Meeting special needs | • Detox Centre to support people with alcohol and substance issues  
• Extra care schemes to meet the needs of older people in the city and develop alternative housing options  
• Gypsy and Traveller pitches  
• YMCA Young Persons housing scheme to provide move on accommodation and supporting services (10 units)  
• Night shelter scheme for people with chaotic lifestyles and rough sleepers (15 units) |
| Improving the existing housing stock | • Innovative working with Worcester Bosch  
• Reconfiguration of existing sheltered housing stock  
• Upper Floor Conversion grant scheme  
• Under occupation initiatives |

### Developing Worcestershire’s infrastructure

| Strengthening the highways infrastructure | • Enhancements to the Southern Link Road  
• Worcester Transport Strategy  
• M5 Junction 6 enhancements  
• Worcester Shrub Hill and Lowesmoor area improvements |
| Improving public transport | • Worcester Transport Strategy  
• Worcester Foregate Street and Shrub Hill Enhancement Schemes  
• Central loop improvements  
• Park and ride sites  
• Worcestershire Parkway |
### Developing social, community and green infrastructure
- Open space enhancements
- Swimming pool/Sports Centre
- Pedestrian and cycle bridges
- Sustainable drainage schemes
- Green network

### Managing Worcestershire’s resources
- Actions to mitigate and adapt to climate change (as set out in emerging Core Strategy)
- Managing flood risk
### MAIN INVESTMENT SCHEMES FOR MALVERN HILLS

#### Creating the conditions to sustain and generate employment

**Developing High Growth Employment sites**
- Continued investment at Malvern Hills Science Park and links with QinetiQ
- Emerging SWDP proposals for additional employment land
- Foster the development of research and high technology businesses

**Supporting the economic sustainability of Worcestershire’s towns**
- Supporting the vitality of Malvern as a main centre with improvements to retail provision and high quality public realm
- Supporting the growth of SMEs and other businesses in and around Malvern
- Supporting the regeneration and enhancement of market towns (Tenbury and Upton)

#### Providing the right housing for all communities

**Developing housing to support high growth employment sites and main employment centres**
- Emerging SWDP considering a sustainable mixed use urban extension to the north and/or east of Malvern town
- Possible redevelopment of surplus land at QinetiQ for housing/mixed uses

**Supporting housing markets in Worcestershire’s towns**
- Ensuring that a range of housing types and tenures are provided in Malvern
- Housing development at Malvern Vale

**Delivering sustainable rural housing**
- Providing a range of housing types in rural areas to aid affordability
- Supporting development that meets local needs and supports the prosperity of rural areas by maintaining the viability of services/amenities

**Meeting special needs**
- Urban extra care scheme in Malvern (Alexandra Gardens, 101 units)
- Supported housing in Malvern (Sherrards Green Road and Court Road, 14 units)
- Increasing the range of housing options to meet the needs of the ageing population in Malvern Hills district
- Meeting the needs of gypsies and travellers

**Improving the existing housing stock**
- Bringing empty homes back into use

#### Developing Worcestershire’s Infrastructure

**Strengthening the highways infrastructure**
- Malvern, Tenbury and Upton urban packages (LTP3)
- Traffic and parking management strategy
- Link to the M5 / Worcester Transport Strategy / Worcester Southern Link Road enhancement
- A449 Malvern to Worcester inter urban corridor scheme
- A443 Tenbury Wells to Worcester inter urban corridor scheme

**Improving public transport**
- Malvern Link station enhancement
- Malvern Link/Worcester Road maintenance and improvement scheme

**Developing social, community and**
- Malvern Town Centre Public Realm Enhancement Scheme
| green infrastructure                      | Tenbury Wells Town Centre Public Realm Enhancement Scheme |
|                                        | Upton upon Severn Town Centre Public Realm Enhancement Scheme |
|                                        | Improvements to cycle and pedestrian network, including bridge over River Severn |
|                                        | Upton upon Severn to Malvern cycle route |
|                                        | Open space provision and maintenance |
|                                        | Community centres |

| Managing Worcestershire's resources   | Actions to mitigate and adapt to climate change (as set out in emerging SWDP) |
|                                      | Managing flood risk in Upton upon Severn and Tenbury Wells |
### MAIN INVESTMENT SCHEMES FOR WYCHAVON

#### Creating the conditions to sustain and generate employment

| Developing High Growth Employment sites | Supporting the expansion of Worcester Bosch and the proposed Worcester Technology Park |
| Supporting the economic sustainability of Worcestershire’s towns | **Developing High Growth Employment sites**
- Supporting the expansion of Worcester Bosch and the proposed Worcester Technology Park
- Supporting new employment opportunities in Droitwich Spa to enhance its role as a local commercial and visitor centre, including opportunities for new investment linked to canal restoration project and its potential within the A38 High Technology Corridor
- Continued regeneration/development in Evesham including support to local businesses during construction phase of Abbey Bridge replacement, new opportunities from Vale Business Park, proposed investment in Evesham Country Park and the ongoing
- Maintaining the vitality and viability of Pershore, including opportunities for expanding Keytec 7 business park |

| Supporting housing markets in Worcestershire’s towns | **Developing High Growth Employment sites**
- Supporting the expansion of Worcester Bosch and the proposed Worcester Technology Park
- Supporting new employment opportunities in Droitwich Spa to enhance its role as a local commercial and visitor centre, including opportunities for new investment linked to canal restoration project and its potential within the A38 High Technology Corridor
- Continued regeneration/development in Evesham including support to local businesses during construction phase of Abbey Bridge replacement, new opportunities from Vale Business Park, proposed investment in Evesham Country Park and the ongoing
- Maintaining the vitality and viability of Pershore, including opportunities for expanding Keytec 7 business park |

| Supporting housing markets in Worcestershire’s towns | **Supporting housing markets in Worcestershire’s towns**
- Housing development in Droitwich including a site capable of delivering 740 units (subject to Development Plan allocation) and Worcester Road Medals Site (c.100 units)
- Housing development to the South East of Worcester (300 units, subject to Development Plan allocation)
- Housing development in Evesham including Badsey Road (300 units), Offenham Road (508 units) and Cheltenham Road Phase 1 (158 units)
- Housing development in Pershore with 2-3 large sites capable of delivering up to 1,000 houses (subject to Development Plan allocation) and Three Springs Road (132 units) |

| Delivering sustainable rural housing | **Delivering sustainable rural housing**
- Affordable housing and supporting infrastructure in Wychavon’s rural areas including schemes in Bevere, Broadway and Badsey
- Community Land Trust development in Evesham rural area
- Remodelling housing of non traditional build in rural areas
- Achieving Code for Sustainable Homes Level 6 in Evesham rural area |

| Meeting special needs | **Meeting special needs**
- Development of housing for those with specialist needs on public sector land in Evesham
- Provision of specialist housing (extra care village)
- Extension of existing specialist/sheltered housing schemes in Pershore (Cherry Orchard House and Almonry Close
- Supporting those with mental health problems and substance misuse
- Increasing the range of housing options to meet the needs of an ageing population
- Remodelling of EC/Ferry View in Evesham |

| Improving the existing housing | **Improving the existing housing**
- Bringing empty homes back into use |
### Worcestershire Local Investment Plan

<table>
<thead>
<tr>
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<tbody>
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<tr>
<td>- Evesham Abbey Bridge and Viaduct Replacement</td>
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<tr>
<td>- Traffic and parking management strategy – Droitwich Spa</td>
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<tr>
<td>- A38 Worcester – Droitwich Spa – Wychbold inter urban corridor improvements</td>
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<tr>
<td>- Pinvin A44 crossroad enhanced capacity scheme</td>
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<tr>
<td>- Evesham B4035 junction enhancement / Bengeworth, Evesham infrastructure enhancements</td>
</tr>
<tr>
<td>- Evesham A4184 Cheltenham Road Junction Enhancement Scheme</td>
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<tr>
<td>- Improvements to Southern Link Road (A440)</td>
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<table>
<thead>
<tr>
<th>Improving public transport</th>
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<tbody>
<tr>
<td>- Droitwich Spa Town Centre Public Realm Enhancement Scheme</td>
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<td>- Droitwich Spa Railway Station Enhancement Scheme and Subway Enhancement scheme</td>
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<td>- Pershore Station Enhancement Scheme</td>
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<td>- Hartlebury Station Enhancement Scheme</td>
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<tr>
<td>- Rail works – Worcester to Evesham line and a line dualling scheme between Droitwich Spa and Bromsgrove</td>
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<td>- Honeybourne Station Enhancement Scheme</td>
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<table>
<thead>
<tr>
<th>Developing social, community and green infrastructure</th>
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<tbody>
<tr>
<td>- Evesham walk/cycle bridge over A46 and under River Avon bridge</td>
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<td>- Community centres and improved utilisation of community facilities</td>
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<td>- Co location of public services</td>
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<td>- Open space provision and maintenance</td>
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<td>- Neighbourhood police station in Droitwich</td>
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<td>- Enhanced leisure and play provision</td>
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<tr>
<td>- Actions to mitigate and adapt to climate change (as set out in emerging Core Strategy)</td>
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<tr>
<td>- Managing flood risk</td>
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6. Funding Delivery

**Key Points**

- Significant reductions in the availability of public sector funding, including HCA investment, expected to lead to far greater competition for resources.
- New emphasis on finding creative solutions to developing packages of finance to support housing, regeneration and economic development will be key.
- Strong emphasis on extracting more value from public sector assets, including to pool assets and cross subsidise. Measures such as HCA local land initiative, Worcestershire’s Capital Asset Pathfinder and new risk and reward mechanisms will underpin future development.
- Importance of partnership activity is reinforced, with the need for local authorities and Registered Providers to work with the HCA, other public sector partners and the private sector to develop investment packages to secure investment in developing new affordable rented housing.
- Local authorities will need to lead development of new tenancy strategies in Worcestershire to reflect mechanisms and availability of funding for affordable housing.
- Local mechanisms including Community Infrastructure Levy, Tax Increment Financing/Accelerated Development Zones and New Homes Bonus will become key sources of funding to support investment in housing, regeneration and infrastructure.
- Partners gearing up to work with a new range of funding mechanisms (eg. Regional Growth Fund, Technology and Innovation Centres) to assist in delivering economic development and regeneration priorities. Regional Growth Fund bids already submitted.

**The Delivery Challenge**

6.1 Implementation of the thematic priorities set out in the previous section will involve the delivery of a range of different schemes, including:

- Major residential schemes, some of which are targeted at specific groups of residents such as older or vulnerable people, or particular localities where opportunities for new housing developments have been identified.

- Major mixed use developments, some of which will take place in several phases over a number of years. Early investment in infrastructure or housing on a site will unlock future, larger scale development phases.

- Employment led schemes, ranging from major site developments and key town centre investments through to more modest workspace schemes.

- Crucially, the development of infrastructure to underpin housing and wider regeneration activities.

6.2 Partners in Worcestershire recognise that this will take place in an investment climate which has substantially changed. Over the past decade there has been public sector funding to support the delivery of new housing, regeneration schemes and infrastructure improvements. As the recession took hold of the housing industry, mechanisms including the National Affordable Housing Programme and Kickstart became increasingly critical to development activity, accounting for as much as 70% of recorded starts in the year to the second quarter of 2010.
These favourable funding conditions also extended to wider regeneration and economic development. Regional development agencies, including Advantage West Midlands, channelled substantial funding to local areas through investments in employment sites and premises, together with the extensive range of investments to support specific sectors of the economy, business support, skills development, public realm improvements and other key components of the economy.

In recent years, emphasis on the development of the knowledge economy has also played a key part in improving and generating new infrastructure including science and technology parks as well as directing investment towards research and development. There has been a strong flow of investment both directly into this infrastructure (e.g. through the RDAs) but also through public investment into technology intensive industries such as defence.

A feature of the period leading up to the recession was the ready supply of credit and the generally relaxed conditions for borrowing. These features extended to local public sector authorities who, in certain parts of the country, secured increasing volumes of unsupported borrowing to help implement major pieces of physical renewal.

Many of these funding sources have now radically reduced and the LIP will be delivered in a substantially different context to that which prevailed through much of the 2000s.

The HCA has seen a significant reduction in its funding, with £4.5 billion available over the period from 2011-15 for investment in affordable housing, mortgage rescue, empty homes, provision for gypsies/travellers and places of change. It will now operate through a different geographical structure that will see increased competition for resources over much larger areas of the country. Partners can expect much greater emphasis on the alignment of public sector resources, package based approaches to development and the maximising of returns on investment.

These changes in the HCA’s mechanisms for investing in housing present key challenges to which partners in Worcestershire are now responding:

- The need to continually refine and update lists of investment priorities to better reflect the volume and type of public funding available. This first LIP represents the start of this process.
- The need for Registered Providers and local authorities to work together to develop packages of schemes to access HCA investment.
- The need to accelerate activity to find new ways to pool public sector assets in Worcestershire and lever in investment for housing and regeneration through the creative use of these assets.
- The importance of local authorities leading the development of new or updated tenancy strategies, working with Registered Providers and other partners.

The withdrawal of single programme funding and the closure of the RDAs will reduce the availability of funding to support employment development and regeneration activity in Worcestershire. Between 2008 and 2010, Advantage West Midlands operated with an annual budget of just under £300 million. While new funding will be available, it will be both more limited and more competitive.
Worcestershire’s Response

6.10 In this new policy and funding landscape, a number of generic principles are emerging that will determine how partners will approach the housing, wider regeneration and infrastructure investment it requires over the next few years. Strong public and private sector partnership, creative ways of subsidising development and the pooling of public sector assets will be central features of this new approach. Any public sector resource that is available will be fiercely competed for.

6.11 Specifically partners in Worcestershire will seek to:

First, work constructively with the HCA’s new affordable rent investment mechanism

6.12 The shift to the affordable rent model will fundamentally change the means by which significant volumes of affordable housing are provided, and will have particularly important consequences for social rented housing. Partners are now responding to the need for a closer, three-way working arrangement and dialogue between the HCA, Registered Providers and local authorities based on trust and a full, open book approach to determining what could and should be developed. Key elements of Worcestershire’s response include:

- Registered Providers exploring how to work with new flexibilities (eg. potential to reassign stock to affordable rent, which in turn is expected to provide additional revenue which could be used to subsidise further development). The way in which Registered Providers are able to contribute significant equity and funding into project packages, in order to secure HCA funding, could entail various initiatives including:
  - loan finance (secured against other assets / income)
  - converting existing socially rented stock into affordable rented accommodation – using the uplift in rentals to fund additional new build, or
  - putting in land assets upfront at nil value, taking any value / uplifts at a later date.

- Collective dialogue amongst Registered Providers and local authorities about investment priorities, building on existing mechanisms in the County.

- Exploring how the mix of sites proposed by Registered Providers together with an approach which focuses development as much as possible, or feasible, on the HCA’s preferred new affordable product (up to 80% of market rent) could help to strengthen the role of the private sector in funding deliverable private housing (for sale and / or to rent) and in contributing to the affordable housing needs of the area.

- Similarly, partners are continuing to create opportunities to cross-subsidise development through Section 106 arrangements or through the use of land and premises assets to generate receipts for reinvestment. This approach is particularly important for special needs special needs developments, since less public funding will be available to support priority schemes of this type across Worcestershire.
Assessing the contributions that Registered Providers could make in delivering some other housing products (e.g. socially rented or special needs projects) and the scale of such provision.

6.13 Together, these activities will play a critical part in determining how much HCA funding will be available to support the new affordable housing product. At the same time, partners recognise the need to demonstrate the best possible value for money from any proposed investments. As well as simply representing a direct return (e.g. the number of housing units delivered), such considerations also need to take account of procurement and other efficiencies (e.g. through Registered Providers working in consortia, or ensuring their projects develop skills and employment within local communities).

**Second, use local assets creatively**

6.14 There is now growing emphasis on the [creative use of local land assets](#) to secure housing, regeneration and economic development priorities. Partners in Worcestershire are now seeking to build on initiatives already underway in this area, and to explore new mechanisms for extracting additional value from shared assets. Their response includes:

- Early dialogue about the HCA’s local land initiative (LLI). The HCA will have the leading role in a 10 year programme intended to create a long term pipeline of land for housing to support economic development and other key policy objectives. The initiative will involve the alignment of resources and investment plans including the use of HCA and Advantage West Midlands’ assets, local assets and the development of opportunities to cross subsidise between sites in these portfolios. Support for the procurement of delivery partners will be central to the LLI, part of a drive to make the HCA’s resources (expertise, influence) available to local partners which will also include work with financial institutions to secure new private sector investment in schemes.

- Starting to explore the potential to recycle receipts from land assets (including HCA land) and the more creative use of land to generate income. This is closely connected to the local land initiative, with the use of mechanisms such as overage aligned to HCA grant funding to fund several phases of development. New approaches to assets might extend to requests to ring-fence receipts from the sale of HCA land for the local area, with those funds then subsiding housing developments elsewhere in the community. It could also include local authorities leasing rather than selling land to generate longer term income streams.

- Further developing Worcestershire’s Capital and Asset Pathfinder initiative, which is a good example of how partners are approaching the need to more creatively use either HCA or public sector land holdings, with greater emphasis on creating opportunities for land swaps. Through the Capital and Asset pathfinder, partners in Worcestershire have already made progress in building a comprehensive picture of the availability of public sector land and property assets across the county. Business plans have been developed to promote joint approaches to service delivery, including the sharing of buildings. Over time, this will provide a valuable resource to support further work on the creative use of local assets to secure future development.
6.15 Part of the process of identifying schemes for inclusion in the LIP has included establishing the ownership of sites and the potential for sites to be used as assets to lever other investment or cross-subsidise development elsewhere. Partners will seek to build on this work in future versions of the LIP.

**Third, experiment with new risk and reward tools**

6.16 The UK government has signalled its intent to introduce a range of risk and incentive tools designed to encourage local housing and business development by expanding the options available to local authorities and their partners to borrow resources to facilitate physical renewal.

6.17 To incentivise areas to accept new house building and to help increase rates of development, the New Homes Bonus policy will take effect from April 2011. This will see local planning authorities receive payments based on the annual net increase in dwellings in its area, with higher payments per dwelling for properties in higher value council tax bands. Although there is no indication that this funding will be ring fenced solely for housing and related infrastructure, it is a further signal of intent on moves to a more localist position on tax and expenditure decisions. Partners in Worcestershire are now considering how best to use this to support priorities identified in the LIP, with the potential for some NHB funding to be pooled across several local authority areas.

6.18 The 2010 White Paper on Local Growth gave a clear commitment by the government to introduce a Tax Increment Finance (TIF) model. This would give Worcestershire’s local authorities the potential to borrow additional funds to invest in capital and infrastructure projects leveraged against projected increases in local revenues from local business rates. As development takes place and new revenues are generated, these would be ring fenced to enable the local authority to meet its borrowing obligations (debt and interest). The expectation is that this would be based on an Accelerated Development Zone model, where an area is designated within which a local authority or groups of local authorities will invest in the expectation of securing growth in income from business rates.

6.19 Partners recognise that retaining a flexible approach to future housing and regeneration priorities in Worcestershire will be important, since detail about how these mechanisms will work and the opportunities they will create is still emerging.

**Fourth, adopt new approaches to capturing developer value**

6.20 In November 2010, the government announced its intention to retain the Community Infrastructure Levy. The CIL mechanism is intended to simplify the process of capturing value from development for reinvestment in local communities, through the setting of local levy rates based on infrastructure plans. This ties the returns from development to their scale – essentially through the use of a charging schedule which will be clear to developers in advance of any development.

6.21 The expectation about the CIL mechanism is that it will provide local areas with a flexible mechanism to fund an extensive array of infrastructure to underpin development. In delivering the local investment plan for Worcestershire, the CIL is likely to be an important contribution to the wider package of funding required to make new developments work, and
to ensure that local infrastructure improvements keep pace with new housing schemes.

**Fifth, gear up early for competitive funding regimes**

6.22 Partners in Worcestershire have moved quickly to respond to a number of new funding regimes introduced during the latter part of 2010. In the context of delivering the LIP, two funding sources in particular have an important part to play:

- Bids are currently being submitted for the first round of the new Regional Growth Fund (RGF). A total of £1.4 billion has been earmarked for the RGF over the next 3 years, with its primary purpose to encourage bids by private-public partnerships to support initiatives that will create new private sector jobs over a sustained period. While housing is not an explicit priority for RGF, successful first round bids and submissions to future rounds have the potential to be a significant source of funding to support the creation of new employment opportunities in Worcestershire, and to underpin priorities identified in the LEP and in Worcestershire’s economic strategy. The government’s intention is that RGF will be directed to those areas where there are both the biggest opportunities for new employment and which are most heavily dependent on public sector employment. Six first round bids have already been submitted including:
  - A major package of improvements to Kidderminster Station (East Midlands Trains)
  - The purchase of land for development in Evesham
  - Proposals for the development of the Bosch led technology centre.

- The government has allocated £200 million over a 4 year period to support the development of new Technology and Innovation Centres (TIC), with the Technology Strategy Board tasked with identifying 6-8 centres for investment in sectors including energy & resource efficiency, transport systems, healthcare, ICT and electronics, photonics and electrical systems. With a well established, internationally recognised base of high tech manufacturing businesses and its associated research and development base, Worcestershire partners will consider how the TIC initiative might support their aspirations to further develop the county’s strengths in knowledge intensive industries.

**Sixth, develop Worcestershire policies on a range of housing issues**

6.23 Production of this first LIP and the emergence of new policy and funding mechanisms for housing and wider regeneration reinforce the case for developing Worcestershire wide policies and programmes on housing issues. Partners are making good headway in this regard with the development of the LIP and with their continued work to complete the County Housing Strategy. The Local Enterprise Partnership, work on a new County Sustainable Community Strategy and the development of a County Infrastructure Delivery Plan are all helping to strengthen Worcestershire wide policies for priorities identified by the LIP. However, partners have signalled through the LIP process the need for further work on an extensive range of issues which are common to several areas or in some cases the County as a whole. These are summarised in below:
Table 6-1: Key Housing Issues Identified By Partners

<table>
<thead>
<tr>
<th>Issue</th>
<th>Emerging Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>New approaches to tenancy</td>
<td>Highlighted through LIP process and dialogue has commenced, and partners will need to work towards tenancy strategies that reflect the new national tenancy policy framework</td>
</tr>
<tr>
<td>Domestic abuse refuges and support</td>
<td>Some potential schemes identified through LIP process. Needs assessment being undertaken across County.</td>
</tr>
<tr>
<td>Provision for Gypsies and Travellers</td>
<td>Some schemes identified in LIP, with adopted Core Strategy (Wyre Forest) and draft core strategies identifying need and locations</td>
</tr>
<tr>
<td>Connecting LIP to Infrastructure Delivery Planning process</td>
<td>Discussed through LIP process and recognised as issue to be addressed following completion of first LIP. Place Shaping Group to consider.</td>
</tr>
<tr>
<td>Older people and need for more extra care provision</td>
<td>Research undertaken and new work commissioned looking at Extra Care by the Joint Commissioning Unit. Potential for more research to target priority locations. Further research needed on demand for accommodation for people suffering from dementia.</td>
</tr>
<tr>
<td>Need for innovative approaches to funding and mix of housing for elderly</td>
<td>Partners have pointed to scope for more subsidising of low rent, extra care and other types of provision through the development of more aspirational market housing for the elderly.</td>
</tr>
<tr>
<td>Provision of accommodation for people with mental health needs</td>
<td>Needs assessment being undertaken across County which may result in reconfiguration of services and development of new provision</td>
</tr>
<tr>
<td>Provision for people with physical disabilities and sensory impairment</td>
<td>Needs assessment being undertaken across County which may result in reconfiguration of services and development of new provision</td>
</tr>
<tr>
<td>Accommodation for single homeless and young people at risk</td>
<td>Needs assessment being undertaken across South Worcestershire which may result in reconfiguration of services and development of new provision</td>
</tr>
<tr>
<td>Need to develop Worcestershire wide approach to Mortgage Rescue</td>
<td>Work already underway to generate data on potential demand for mortgage rescue, which will inform how HCA funding and supporting activity is allocated across the County</td>
</tr>
<tr>
<td>Empty homes</td>
<td>Potential to look at new ways to bring empty homes back into use through a toolkit of measures and linking investment to nomination rights</td>
</tr>
<tr>
<td>Delivery of renewable technologies in homes and retrofitting of low carbon technologies</td>
<td>Process of developing LIP has highlighted wide range of schemes already being delivered in Worcestershire and need to secure funding to continue programmes. Linked to measures to tackle fuel poverty.</td>
</tr>
<tr>
<td>Implementation of code for sustainable homes and new design standards</td>
<td>These will be determined locally under the emerging policy framework, and partners could work with the HCA to respond to this change</td>
</tr>
<tr>
<td>Tackling underoccupation</td>
<td>Need to explore incentives for downsizing to promote better use of existing affordable housing provision by enabling downsizing within current social rented homes.</td>
</tr>
<tr>
<td>Overcrowding</td>
<td>Need to find innovative ways to increase space available (eg. loft conversion programmes) to enable households to remain living in local communities and to retain existing support networks particularly where larger accommodation is in poor supply - building on pilot project outcomes</td>
</tr>
</tbody>
</table>

6.24 This rapidly changing policy and funding climate presents both opportunities and challenges for partners in Worcestershire in taking forward the priorities they have identified in the LIP. Over the coming months, partners will need to undertake a more detailed assessment of the
range of funding and delivery issues they are faced with in delivering key priorities for the County. It will be important to ensure that County wide strategic priorities for accommodation for older and vulnerable people are connected to the Supporting People initiative and other commissioning arrangements. In essence, what is required is a business planning approach to identifying the most deliverable and the highest impact investments with an emphasis on finding creative and innovative ways to deliver them. The Worcestershire Place Shaping Group should be expected to play a key role in coordinating this activity.
7. Working with the HCA

7.1 Local Investment Plans were, and remain, a mechanism to help HCA decide how best it can assist in meeting affordable housing and regeneration needs in local areas. Whilst the scale and nature of the resource which HCA has at its disposal has changed fundamentally from when LIPs were first conceived, there remains a continuing need for the LIP to provide HCA with a framework against which it can assess the case for any investment in Worcestershire.

7.2 As set out in Section 6, HCA's principal investment mechanism for the period 2011-15 in Worcestershire will be its new £4.5 billion affordable rental model.  

7.3 Resources under the affordable rental model will be distributed via Registered Provider led investment packages. Each investment package will deliver affordable homes, with a primary focus on affordable rental properties, via a number of funding routes comprising:

- HCA grant funding, with the detail of the process set out in the prospectus on the affordable rent product
- Registered Provider’s own resources – which could come from borrowing capacity from new affordable rent homes, or resources generated from conversion (to affordable rent and in some cases, disposal or conversion to shared ownership)
- Other sources, including private sector developer Section 106 contributions and the (anticipated) extensive use of public sector land assets.

7.4 Proposals under HCAs supported housing, empty homes and gypsy and traveller initiatives are also to be included within affordable rent package proposals.

7.5 The HCAs wider enabling role, in terms of the in-house expertise across its teams and access to delivery partner panels for example, will underpin the assembly of package proposals and their implementation. The process of securing grant from HCA has yet to be determined but is likely to be via a competitive bidding process, with the demands for HCA resources being greater than the level of available resources.

7.6 In recent months housing officers from the six local authorities, together with inputs from Worcestershire’s Registered Providers, have been assembling a long list of possible investment priorities that could underpin package proposals. These lists have now been refined to comprise schemes that have:

- The potential to provide a significant new supply of affordable homes along with the provision of housing to meet special needs, including those of older and vulnerable people.
- A genuine probability of delivery commencing within the next 4 years. In preparing the LIP, the deliverability of each scheme has been assessed with partners. Any for which barriers exist which make delivery a remote prospect have been excluded.
- Scope to contribute to one or more of the five LIP housing themes set out in Section

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3 Whilst HCA nationally also has £2 bn to deploy on the Decent Homes programme the vast majority of this will be focused on Council Landlords with a backlog of more than 10% non-decent stock, none of which are located in Worcestershire.
7.7 For some schemes there is an anticipated need for public subsidy to deliver affordable housing components - there may be a proven or likely viability gap, or HCA or other public sector land may be involved. This is clearly indicated in the table. For others affordable housing will be delivered through Section 106 contributions, or through resources generated from conversion of existing Registered Provider stock to affordable rental units.

7.8 In utilising these lists of candidate schemes for north and south Worcestershire, a number of caveats should be highlighted. There is a clear need for further financial modelling with Registered Providers to assess whether the affordable rent product will prove to be a viable on sites identified for HCA support.

7.9 Also, the lists have been compiled in dialogue with each of the local authorities and representatives of the Registered Providers using the best information currently available about the schemes. In some cases, there are not yet clear details about the nature of some individual schemes, the volume of housing they will accommodate, their potential start/completion dates and requirements for HCA and other public sector support. This reinforces the need for partners to retain a degree of flexibility in updating and supplementing the list as schemes come forward.
Analysis of Worcestershire Schemes

7.10 Table 7-1 below provides a summary analysis of those schemes for which the LIP has identified a need for subsidy to secure the delivery of affordable housing. These schemes will be central to further discussions between the HCA, local authorities and Registered Providers about the development of package proposals.

7.11 Alongside summary data on the number of schemes under each of the LIP’s key housing priorities, Table 7-1 shows the number of housing units and affordable housing units which those schemes have the potential to deliver. It also indicates how many of those schemes have Registered Providers already involved or earmarked for them, and how many would involve the use of public land. The key findings from this analysis are:

- The analysis identifies 103 schemes for which a need for subsidy has been identified.
- Overall, the schemes would deliver just under 3,500 housing units, of which around 2,100 would be affordable.
- A total of 19 schemes deliver just over 2,000 houses (930 affordable) in schemes to support high growth employment sites and the main employment centres in Worcestershire.
- Under the supporting the vitality of housing markets in Worcestershire’s towns, 19 schemes have been identified as requiring subsidy. They would deliver around 340 homes, close to 300 of which would be affordable.
- A large number of schemes (42) would deliver sustainable rural housing. The majority (90%) of this housing would be affordable. This reflects the extensive rurality of parts of Worcestershire.
- A total of 23 schemes under the meeting special needs priority, which together would deliver around 620 units ranging from extra care units for elderly people to supported flats for young people with chaotic lifestyles.
- The overwhelming majority of schemes (more than 80%) already have Registered Providers involved in them through land/building ownership, roles as development partners or outline agreements to deliver affordable housing on the site.
- Around 40% of the schemes involve the use of public sector land assets, an increasingly important factor in securing investment. Although 60% of schemes do not appear to involve public sector land assets, many of the sites identified are owned by Registered Providers and have therefore been earmarked for affordable housing, special needs housing etc.
Table 7-1: Count of Schemes with potential to start within 4 years, with requirement for public subsidy identified

<table>
<thead>
<tr>
<th>Priority</th>
<th>District</th>
<th>Bromsgrove</th>
<th>Malvern Hills</th>
<th>Redditch</th>
<th>Worcester</th>
<th>Wychavon</th>
<th>Wyre Forest</th>
<th>Total No. of Schemes</th>
<th>Total No. of Units</th>
<th>Sum of Affordable Units</th>
<th>RP identified Yes/No</th>
<th>Use of public land Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing to support high growth employment sites and employment in main centres</td>
<td>1</td>
<td>1</td>
<td>9</td>
<td>4</td>
<td>0</td>
<td>4</td>
<td>19</td>
<td>2,045</td>
<td>930</td>
<td>Y = 14 N = 5</td>
<td>Y = 10 N = 9</td>
<td></td>
</tr>
<tr>
<td>Supporting the vitality of housing markets in Worcestershire's towns</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>2</td>
<td>19</td>
<td>345</td>
<td>301</td>
<td>Y = 15 N = 4</td>
<td>Y = 7 N = 12</td>
<td></td>
</tr>
<tr>
<td>Delivering sustainable rural housing</td>
<td>2</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>3</td>
<td>42</td>
<td>467</td>
<td>425</td>
<td>Y = 33 N = 9</td>
<td>Y = 14 N = 28</td>
<td></td>
</tr>
<tr>
<td>Meeting special needs</td>
<td>4</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>23</td>
<td>623</td>
<td>473</td>
<td>Y = 19 N = 4</td>
<td>Y = 7 N = 16</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>11</td>
<td>16</td>
<td>15</td>
<td>6</td>
<td>42</td>
<td>13</td>
<td>103</td>
<td>3,480</td>
<td>2,129</td>
<td>Y=81 N=22</td>
<td>Y=38 N=65</td>
</tr>
</tbody>
</table>

Page 69
7.12 Table 7-2 provides a summary analysis of the all schemes identified by partners for consideration in the LIP process. This list includes both those schemes for which a need for public subsidy has been identified and others for which no specific need for subsidy has yet been identified. Many of these non-subsidy schemes are expected to generate affordable housing through developer contributions. The analysis includes only the following types of scheme:

- The potential to commence delivery within 4 years.
- No potentially insurmountable barriers to the scheme being delivered. Partners have identified a number of sites where development is assessed as being unlikely to proceed.
- Schemes where there is a clear start date and data on the number of units that could be accommodated on the site. The analysis therefore excludes those schemes for which this information is not yet available.

7.13 Clearly, partners have an extensive range of specific sites, schemes and initiatives which are expected to contribute to achieving housing targets and policy objectives. A total of 131 specific schemes/sites have been included in this analysis. The list provides a comprehensive picture of the supply and pipeline of sites and schemes in Worcestershire. They range from large scale urban extensions which are expected to generate significant investment in affordable housing from Section 106 contributions through to small scale schemes on which housing provision is likely to be dependent on public subsidy. The key points of this summary analysis are:

- Schemes would deliver 10,400 housing units, 5,000 of which would be affordable.
- Around 65% of site specific schemes (95) already have a Registered Provider involved with them.
- Only around 20% of site specific schemes have involved identified public land. Many sites are owned by sites by Registered Providers, while there are also substantial private sector land holdings across the County.
- An overwhelming majority of the housing units that would be delivered by these schemes have been identified under priorities to support high growth employment sites and employment centres together with housing to support the vitality of housing markets in Worcestershire’s towns.
- However, the highest number of schemes (47) falls under the Sustainable Rural Housing priority, reflecting the large number of rural housing sites identified by both Malvern Hills Council and Wychavon Council.
### Table 7-2: Count of Schemes with potential to start within 4 years, with requirement for public subsidy identified

<table>
<thead>
<tr>
<th>Priority</th>
<th>District</th>
<th>Total No. of Schemes</th>
<th>Total No. of Units</th>
<th>Sum of Affordable Units</th>
<th>RP identified Yes/No*</th>
<th>Use of public land Yes/No*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing to support high growth employment sites and employment in main centres</td>
<td>Bromsgrove</td>
<td>10</td>
<td>49</td>
<td>7,900</td>
<td>Y=17 N=29</td>
<td>Y=14 N=35</td>
</tr>
<tr>
<td></td>
<td>Malvern Hills</td>
<td>2</td>
<td>2</td>
<td>3,006</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Redditch</td>
<td>17</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Worcester</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wychavon</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wyre Forest</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting the vitality of housing markets in Worcestershire’s towns</td>
<td>Bromsgrove</td>
<td>4</td>
<td>2</td>
<td>1,061</td>
<td>Y=18 N=9</td>
<td>Y=8 N=25</td>
</tr>
<tr>
<td></td>
<td>Malvern Hills</td>
<td>3</td>
<td>2</td>
<td>860</td>
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<tr>
<td></td>
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<tr>
<td></td>
<td>Worcester</td>
<td>0</td>
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<tr>
<td></td>
<td>Wychavon</td>
<td>2</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>Wyre Forest</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivering sustainable rural housing</td>
<td>Bromsgrove</td>
<td>2</td>
<td>11</td>
<td>792</td>
<td>Y=40 N=7</td>
<td>Y=10 N=37</td>
</tr>
<tr>
<td></td>
<td>Malvern Hills</td>
<td>11</td>
<td>0</td>
<td>646</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Redditch</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Worcester</td>
<td>0</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Wychavon</td>
<td>31</td>
<td>3</td>
<td></td>
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<tr>
<td></td>
<td>Wyre Forest</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meeting special needs</td>
<td>Bromsgrove</td>
<td>4</td>
<td>2</td>
<td>662</td>
<td>Y=20 N=4</td>
<td>Y=5 N=18</td>
</tr>
<tr>
<td></td>
<td>Malvern Hills</td>
<td>3</td>
<td>2</td>
<td>491</td>
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<td></td>
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<tr>
<td></td>
<td>Redditch</td>
<td>6</td>
<td>5</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Worcester</td>
<td>2</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wychavon</td>
<td>42</td>
<td>24</td>
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<tr>
<td></td>
<td>Wyre Forest</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Bromsgrove</td>
<td>20</td>
<td>131</td>
<td>10,415</td>
<td>Y=95 N=49</td>
<td>Y=58 N=115</td>
</tr>
<tr>
<td></td>
<td>Malvern Hills</td>
<td>19</td>
<td></td>
<td>5,003</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Redditch</td>
<td>23</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Worcester</td>
<td>7</td>
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</tr>
<tr>
<td></td>
<td>Wychavon</td>
<td>42</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Wyre Forest</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Information on public land and Registered Provider involvement not known for small number of schemes.
7.14 This full list of schemes that partners have identified through the LIP process provides partners in Worcestershire with a strong platform for dialogue about the development of packages of proposed investments with housing. The potential for schemes to cross-subsidise other schemes (e.g. through developer contributions, land swap mechanisms, reallocations) is already being explored by partners, and this process will be critical in achieving the objectives identified by the LIP.

7.15 It is important to note that partners identified a total of 243 schemes and sites through the LIP process. In summary, those which do not feature in the analysis above include:

- 40 schemes/sites for which no start date was available
- 40 schemes/sites for which no housing unit data was available
- 24 non-site specific initiatives (e.g. energy efficiency schemes, retrofitting schemes)
- A number of sites which partners specifically indicated should not be included in the analysis.

7.16 Registered Providers will continue to play a central role in delivering affordable housing across Worcestershire. Further analysis of those scheme for which a need for subsidy has been identified indicates that the County is well-served by a wide range of Registered Providers that are already involved with many of the schemes listed in the LIP. An indicative summary of the specific Registered Providers identified with the schemes summarised in Tables 7.1 and 7.2 is provided in Table 7-3 below.
<table>
<thead>
<tr>
<th>BDHT</th>
<th>Stonham Home Group</th>
<th>Accord</th>
<th>Accord/RCH</th>
<th>Festival</th>
<th>WFCH</th>
<th>West Mercia</th>
<th>West Mercia/BDHT</th>
<th>Various</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Overall No. of Schemes</td>
<td>11</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Festival Housing Group</th>
<th>West Mercia</th>
<th>Worcester Community Housing</th>
<th>Marches-Jephson Group</th>
<th>Rooftop Housing Group</th>
<th>Stonham Home Group</th>
<th>Various</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>32</td>
<td>1</td>
<td>1*</td>
</tr>
<tr>
<td>Overall No. of Schemes</td>
<td>13</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>35</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: *Various Registered Providers identified for non-site specific schemes (eg. retrofitting, reconfiguration of sheltered housing stock)

7.17 This is not intended to represent an exhaustive list of Registered Providers involvement with schemes identified in the LIP. In some cases, agreement with a specific Registered Provider has not yet been reached, while there were information gaps for a number of schemes (eg. no clear start date, numbers of housing units unknown). The substantial number of schemes associated with the Rooftop Housing Group reflects this Registered Provider’s significant presence in rural areas of Worcestershire.
8. Consultation and Engagement

8.1 Consultations with Local Authorities, Registered Providers, the Homes and Communities Agency have been essential in compiling the Local Investment Plan. These took place over the period from November 2010 to February 2011 and included:

- North and South Worcestershire Local Investment Plan Task and Finish Group (November)
- Consultation with Worcestershire County Council representatives, 15th November
- Meeting with Worcestershire Place Shaping Group, 29th November
- Scheme review discussion with Ruth Bamford, Daniel Russell (Redditch Council) and Andy Coel (Bromsgrove Council), 29th November
- Site visit and scheme review, Wyre Forest Council, 29th November
- Meeting with North Worcestershire Delivery Group, 29th November
- Scheme review meeting with Andy Coel and Mike Dun phy, Bromsgrove Council, December 2010
- Scheme review meeting with Alison Grimmett, Daniel Russell, Matthew Bough (Redditch Borough Council) and Mike Williams (Worcestershire County Council), December 2010
- Scheme review meeting with Kate Bailey, Wyre Forest Council, 9th December
- Roundtable meeting with Registered Providers, Malvern, 9th December. Attendees from Bromsgrove & District Housing Trust, Rooftop Housing Group, Worcester Community Housing, Community Housing Group, WM Housing Group, Waterloo Housing Group, Bromford Housing Group, Festival Housing Group
- Scheme review meeting with Wychavon Council representatives, January 2011
- Scheme review meeting with Worcester City Council representatives, January 2011
- Scheme review meeting with Malvern Hills Council representatives, January 2011
- Joint meeting with South Worcestershire Registered Providers and Local Authorities, January 2011
- Meeting with North Worcestershire LIP Task and Finish Group, January 19th
- Meeting with South Worcestershire LIP Task and Finish Group, January 19th
- Joint meeting with Local Authority representatives and HCA, Worcester, 19th January