

# South Worcestershire Development Plan Review

## Housing Topic Paper Update

October 2024



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# 1 Introduction

- 1.1 This update to the Housing Topic Paper is to support the examination of the South Worcestershire Development Plan Review (SWDPR).
- 1.2 The update is provided in response to a direct request from Inspectors via their Inspectors Questions, published 17 November 2023. The requests were for an updated Housing Trajectory; up to date evidence in respect of housing land supply; information on how the Councils would be using oversupply in the plan period from the first few years; and evidence and information on whether at least 10% of the proposed housing requirement would be accommodated on sites no larger than one hectare. Due to the 2023-24 monitoring period being completed, the Councils have used this opportunity to update the Inspectors with the most recent data.
- 1.3 This Housing Topic Paper update covers the housing requirement and trajectory across the plan period; the justification for increasing the number of small windfalls included across the plan period in the trajectory; the justification for the inclusion of large windfalls in the trajectory; and the percentage of small sites of one hectare or less allocated in the SWDPR and justification for this figure. The Housing Topic Paper update also includes main modifications to Policy SWDPR 02: Employment, Housing and Retail Requirements as well as information on sites the SWCs are proposing to remove from the SWDPR due to deliverability issues.

## 2 Housing Requirement and Trajectory

2.1 The Housing Requirement for the SWCs is calculated using the standard method, as per the Planning Practice Guidance (PPG) Paragraph 001 (Reference ID: 68-001-20240205). Authorities should use the standard method as the starting point when preparing the housing requirement in their plan, unless exceptional circumstances justify an alternative approach. No exceptional circumstances are justified; therefore, the standard method is used in determining the housing requirement across the plan period. The housing requirement for the SWCs through the SWDPR is a combination of the three Local Planning Authorities (LPAs) annual housing requirements. This annual housing requirement is then multiplied by the number of years in the plan period (20) to result in a housing requirement for the length of the SWDPR.

2.2 Between 2021 and 2041, a housing requirement of 25,860 is calculated for the SWDPR. The Housing Topic Paper (2022) and Housing Trajectory (2022), which were consulted on at Regulation 19 stage (1 November to 23 December 2022), include the standard method as a linear housing requirement of 1,293 dwellings per annum. This figure does not include the 500 dwellings at Mitton for Tewkesbury's housing need.

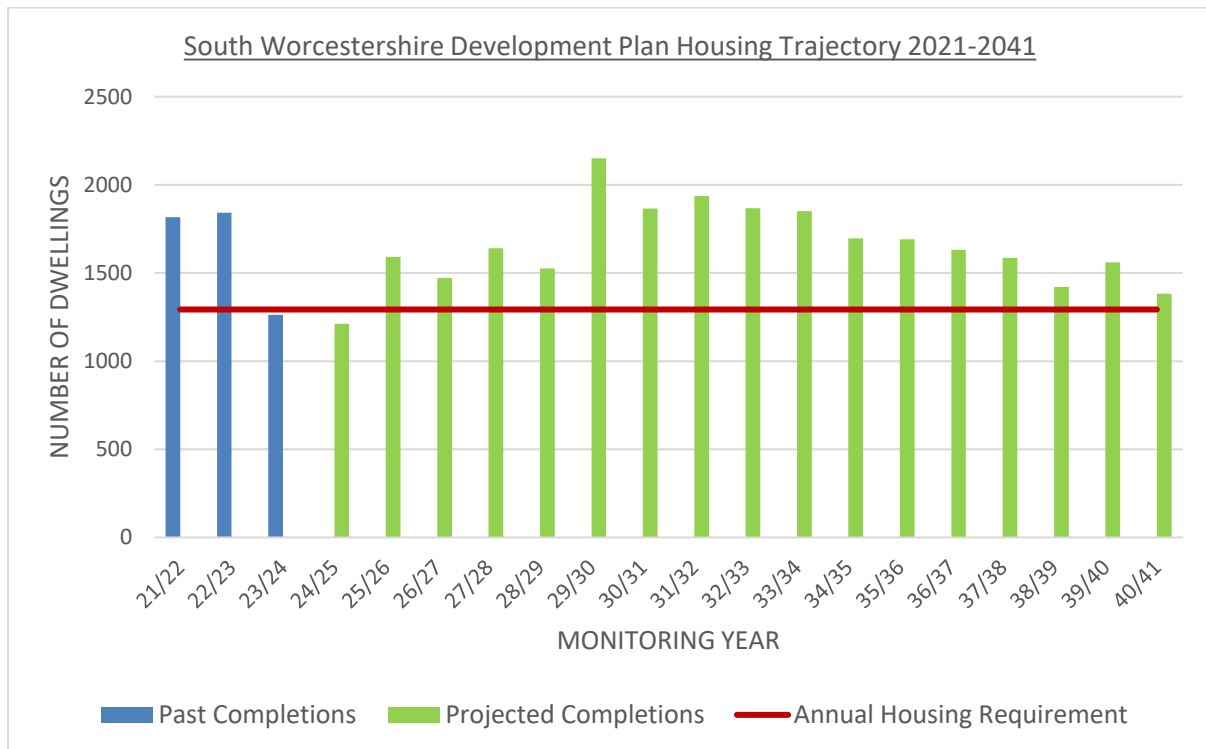
It is proposed that the net completions for 2021/22 to 2023/24 are subtracted from the overall housing requirement for the plan period 2021-2041, with this figure then distributed evenly between the remaining years of the plan period. The housing requirement for plan period is 25,860, with this additional 500 dwellings at Mitton this results in a total of 26,350 housing requirement. There were 4,920 completions between 2021 and 2024. The remaining 17 years of the plan up to 2041 will therefore have an annual housing need of 1,261.

2.3 An updated trajectory was provided to the Inspectors in January 2024, which updated the timescales of completions on proposed allocation sites. A further updated trajectory has been provided to the Inspectors alongside this document in October 2024 which includes the 2023/24 housing monitoring data as well as further updates to the trajectory for proposed new allocations and reallocations.

2.4 When updating the trajectory for all sites, several were found to be unlikely to come forward within the plan period or currently have insufficient evidence to justify their inclusion at this time. Annex 1 lists these sites and gives a brief description of why they are no longer likely to come forward. Annex 2 lists sites which, after consultation with landowners and promoters, are likely to have a significant reduction in housing numbers across the plan period. This work is iterative, and any further changes or updates will be provided as soon as possible to the examination.

2.5 Figure 1 shows the proposed housing requirement across the plan period, alongside the actual and projected completions. Please note all monitoring information is correct as at 31 March 2024, with deliverability information for allocations being correct up to 9 October 2024.

Figure 1: Graph showing the projected housing completions and housing requirement annually



2.6 Figure 1 shows that the annual housing completions projected, for the majority of the plan period, are expected to be higher than the annual housing requirement.

### Changes to the windfall allowance

2.7 The NPPF (July 2021) paragraph 71 states that a windfall allowance may be justified if a local planning authority has “[...] compelling evidence that they will provide a reliable source of supply. Any allowances should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. [...]”. Windfalls are defined as sites not specifically identified in the development plan.

### Small Sites

2.8 The Housing Topic Paper (2022) identified windfall numbers from 2006/07 to 2020/21 for only small sites (sites of 9 or less dwellings), giving an average of 261 windfall completions a year. The Inspector conducting the Examination into the South Worcestershire Development Plan (SWDP) (2016) confirmed in his Interim Conclusions (October 2013) that, in principle, he saw no objection to the Plan accounting for windfalls as part of the supply of housing over the plan period. It was agreed a figure of 180 dwellings per annum as a windfall allowance, which allows a conservative and cautious approach to windfall numbers. The Housing Topic Paper (2022) suggested to retain this number of 180 windfalls per annum for years 4-10 of the plan period, and then reduce the

windfall allowance of 120 dwellings per annum from years 11-20. The reduction in the windfall allowance is based on the expectation that smaller infill sites occurring across the SWCs would reduce over time, and with the three strategic sites under construction, this would also reduce the reliance on windfall completions.

- 2.9 Since the Inspectors Interim Conclusions in 2013 on the windfall allowance of the SWDP (2016), the Town and Country Planning (General Permitted Development) (England) Order 2015 (GPDO) was made, and this includes, along with subsequent amendments, introductions and changes to permitted development rights around the creation of dwellings (such as Part 3 Classes L to Q which detail how certain types of use classes can undertake a change of use to dwellinghouses without the need for planning permission in certain circumstances). Due to the 2015 Order, there have been more opportunities for permitted development to come forward since the adoption of the SWDP. Table 1 shows the consistent supply of small windfall sites across the SWCs from 2006/07 to 2023/24, with an overall average of 270 per year. Although there has been a slight downturn in small windfall figures in the last few years, overall, the averages are buoyant, and it is expected that they will remain as such; over the last 10 years, the average windfalls per annum is 282, with the average for the last 5 years being 240.
- 2.10 It is not considered appropriate to deduct a buffer of 10% from the 5 year average to ensure flexibility and robustness, as a 5% buffer to the housing requirement in the 5YHLS is already required to provide robustness and flexibility. Alongside this, a further 5% lapse rate is applied within the 5YHLS calculation to ensure further robustness and cover any lapses in planning permissions. Therefore, a buffer to small windfall figures is considered not to be required.
- 2.11 Due to the consistently high number of small windfall completions annually, it is also considered that years 11 to 20 should not be reduced by a third but kept at the full windfall rate of 240 dwellings per annum. The reduction for small windfalls in years 11 to 20 of the plan period was originally agreed with the Inspector for the South Worcestershire Development Plan (2016), and the assumption for a reduction was carried forward in the Housing Topic Paper (2022) for the SWDPR, instead of following the evidence of windfall completions as seen in Table 1.
- 2.12 As in the current Five Year Housing Land Supply (5YHLS) calculations, years 1 to 3 following the intended date of adoption in the trajectory will not include windfall figures, to avoid double counting of small commitments.

Table 1 - Small Windfall Completions from 2006/07 to 2022/23

	Malvern Hills Completions	Worcester City Completions	Wychavon Completions	South Worcestershire Completions
Monitoring Year	Small Windfalls	Small Windfalls	Small Windfalls	Total Small Windfalls
2006/07	85	90	128	303
2007/08	168	101	88	357
2008/09	85	73	84	242
2009/10	63	82	55	200
2010/11	60	66	79	205
2011/12	82	61	110	253
2012/13	61	56	93	210
2013/14	76	45	154	275
2014/15	86	95	132	313
2015/16	44	80	148	272
2016/17	68	88	174	330
2017/18	86	41	167	294
2018/19	128	120	160	408
2019/20	51	72	70	193
2020/21	101	60	168	329
2021/22	54	46	140	240
2022/23	64	37	127	228
2023/24	92	31	87 <sup>1</sup>	210 <sup>2</sup>
<b>TOTAL</b>	<b>1,454</b>	<b>1,244</b>	<b>2,164</b>	<b>4,862</b>
<b>AVERAGE</b>	<b>81</b>	<b>69</b>	<b>120</b>	<b>270</b>

## Large Sites

2.13 The Housing Topic Paper (2022) did not include an allowance for large windfalls. However, data has since been collated for the SWCs showing completions on windfall sites for major developments of 10 or more dwellings since 2016/17. Sites which gained permission at appeal have been excluded

<sup>1</sup> 87 small windfalls for Wychavon District Council, 3 of these completions are part of a proposed allocation in the SWDPR. As this is a proposed allocation in the SWDPR but not an allocation currently, it is counted as a small windfall in this table.

<sup>2</sup> As noted in footnote 1, 3 completions in Wychavon District Council are part of a proposed allocation in the SWDPR, but as this is not currently an allocated site, has been included as a small windfall in this table.

from the results of the analysis presented in Table 2. Appeal decisions have been removed to ensure the data is robust and only those dwellings that the Councils themselves have approved are counted.

*Table 2 - Large Windfall Completions from 2016/17 to 2022/23*

	Malvern Hills Completions	Worcester City Completions	Wychavon Completions	South Worcestershire Completions
Monitoring Year	Large Windfalls	Large Windfalls	Large Windfalls	Total Large Windfalls
2016/17	43	185	42	270
2017/18	170	88	75	333
2018/19	117	46	17	180
2019/20	22	98	40	160
2020/21	58	108	59	225
2021/22	26	179	165	370
2022/23	24	71	147	242
2023/24	3	139	73	215
<b>TOTAL</b>	<b>463</b>	<b>914</b>	<b>618</b>	<b>1995</b>
<b>AVERAGE</b>	<b>58</b>	<b>114</b>	<b>77</b>	<b>249</b>

2.14 Table 2 shows the consistent supply of large windfall sites across the SWCs from 2016/17 to 2023/24, with an overall average of 249 per year. Over the last 5 years the average windfalls per annum is 242. Although there has been a slight downturn in large windfall figures in the last few years, overall, the averages remain buoyant, and it is expected that they will continue to remain as such.

2.15 As with small windfalls it is not considered appropriate to deduct a buffer of 10% from the 5 year average to ensure flexibility and robustness, as a 5% buffer to the housing requirement in the 5YHLS is already required to provide robustness and flexibility. Alongside this, a further 5% lapse rate is applied within the 5YHLS calculation to ensure further robustness and cover any lapses in planning permissions. Therefore, a buffer to large windfall figures is considered not to be required. As with small site windfalls, years 1 to 3 will not include windfall figures, to avoid double counting.

### **Conclusion**

2.16 Overall, the windfall allowance in the trajectory is proposed to increase to 482 dwellings per annum, for years 7 to 20. This includes the increase in small windfalls to 240 dwellings per annum, and the inclusion of large windfalls of 242 dwellings per annum.



### 3 Percentage of sites under one hectare

- 3.1 The SWCs response to the IQs in December 2023 included information on the evidence for whether at least 10% of the proposed housing requirement would be accommodated on sites no larger than one hectare as per NPPF 69. As the trajectory has been updated and some sites are proposed to be removed it is necessary to further update this evidence.
- 3.2 The housing requirement across the SWCs (including the 500 at Mitton) is 26,360. 10% of the housing requirement would therefore be 2,636, as seen in Table 3.

*Table 3: Housing requirement*

	Data extracted from SWDPR 02 (dwellings)	Requirement for sites of 1ha or less (dwellings)	Percentage
Standard Method Output	25,860	N/A	
Additional 500 dwellings at Mitton	500	N/A	
<b>Total Housing Requirement</b>	<b>26,360</b>	<b>2,636</b>	<b>10.00%</b>

- 3.3 The below table identifies the sources of small sites from the SWDPR trajectory which contribute towards the requirement for 10% of sites to be on 1ha or less as per NPPF 69. This includes completions from the first 3 years of the plan period as well as known commitments and windfall allowance.
- 3.4 Dwellings on allocation and reallocation sites of 1ha or less are shown in table 4. The dwelling numbers for small windfalls, however, is based on sites of 9 dwellings or less. The evidence for this being found within the SHELAA 2022 (document library ref. SHELAA 1) wherein the lowest average minimum site density is 30 dwellings per hectare (page 18) and therefore based upon this, even the highest number of dwellings on a small windfall site (9) would result in a site area of around 0.3ha.

Table 4: Housing delivery source as of 31 March 2024

	Sites identified as 1ha or less (dwellings)	Percentage
SWDPR Allocation and Reallocations Completions	129	
SWDPR Allocation and Reallocations Commitments	525	
Windfall Completions (3 years)	675	
Windfall Commitments (3 years)	744	
Windfall Allowance (14 years)	3,360	
<b>Total</b>	<b>5,433</b>	<b>20.61%</b>

3.5 The percentage of housing requirement being met / proposed on sites of 1ha or less is 20.61%.

## **4 SWDPR 02 policy wording**

- 4.1 Due to the time between the Regulation 19 consultation and the present date, three years of the plan period (2021 to 2041) have now passed. To ensure that policy SWDPR 02 is up to date, it is proposed that the policy is updated, including an update to Table 1 in SWDPR 02 to ensure that the completions for the first three years of the plan period are taken into account against the housing requirement; the table incorporates the proposed changes to the windfall figures which are detailed in section 3 of this report. The proposed new wording for SWDPR 02 is detailed below, and also includes reference to the Trajectory for the Plan, which will be provided as a new Annex to the SWDPR, and reference to the Designated Neighbourhood Area housing requirements detailed in Annex E of the SWDPR. A track changed version can be seen in Annex 3 of this document. The proposed new wording for SWDPR02 does not include any proposed updates to the parts of this policy relating to employment or retail. This is being dealt with separately through updates to relevant evidence and submission of other topic papers.

## SWDPR 02: Employment, Housing and Retail Requirements

- A. In order to meet the development requirements, the SWC will plan, monitor and manage the delivery of at least 26,360 additional new dwellings, in addition to 362.45ha (against a demand of 350.50ha) of new employment land as set out in the site allocations policies SWDPR 51 to SWDPR 63.

### Housing Requirement

- B. Table 1 below sets out the housing requirement for the local plan period ending 31 March 2041.

Table 1: Housing Requirement for the SWPR Review

	<b>Calculating the Requirement</b>	
X	Standard Method Output 2021-2041	25,860
Y	Additional 500 dwellings at Mitton	500
Z	Total Housing Requirement (X + Y)	26,360
	<b>Housing Completions</b>	
A	Housing Completions 2021-2024 2021-2022 1816 completions 2022-2023 1841 completions 2023-2024 1263 completions	4,920
B	Remaining Housing Requirement for the Plan Period ( Z – A )	21,440
	<b>Housing Supply</b>	
C	Commitments as at 31 March 2024	9,413
D	Existing allocations	900
E	Windfalls – for years 7 to 20 of the plan period (14 years) Small windfalls of 240 dwellings per annum ( 240 x 14 = 3,360 ) Large windfalls of 242 dwellings per annum ( 242 x 14 = 3,388 )	6,748
F	Net Housing Requirement ( B – [ C + D + E ] )	4,379
G	New allocations	11,031
H	500 dwellings at Mitton to meet Tewkesbury's need	500
I	New allocations against Net Housing Requirement ( ( G + H ) – F )	+ 7,152
J	Balance against Total Housing Requirement I / Z x 100	+ 27.13%

### Housing trajectory

- C. To ensure a plan-led approach to development, the net completions in the plan period are to be subtracted from the overall housing requirement, with this figure then distributed evenly between the remaining years of the plan period. There were 4,920 completions between 2021 and 2024. The remaining 17 years of the plan up to 2041 will therefore have an annual housing need of 1,261.
- D. Annex H of this plan shows the trajectory for delivering new homes over the plan period.
- E. Annex E of this plan shows the Housing Requirement to 2041 by Designated Neighbourhood Area.
- F. Delivery will be monitored on a least an annual basis through the Authorities Monitoring Reports.

### **Employment**

- G. The gross demand for employment land, as identified in the 2022 Economic Development Needs Assessment (EDNA), for the period 2021 to 2041 is 350.50ha ha of which 71.75 ha is already committed (as of 31/3/2021), i.e., has planning permission. The proposed employment allocations in the SWDP Review total 290.70ha (including 75 ha at the strategic locations). This gives a surplus of 11.95ha of employment land across the plan area.

## Annex 1 – Proposed allocation sites unlikely to come forward in the plan period

### Worcester City

Reg 19 Site reference	Site Name	Comments	SITE TOTAL
WCHO07	Woodside Point, Williamson Road	22/00337/FUL - Proposed erection of a two-storey office extension to existing industrial unit and associated alterations to existing building. Approved 02/08/2022 and completed in 22/23. No response to development questionnaire.	75
WCREAL01	Ribble Close and Gas Holder Site	No response to development questionnaire.	40
WCREAL03	Old Brewery Service Station, Barbourne Road	No response to development questionnaire. Has had previous permissions which lapsed.	12
WCREAL04	Malvern Gate, Bromwich Road	Site no longer available for residential	45
WCREAL06	Laugherne Garage, Bransford Road	No response to development questionnaire. The site is still an active garage.	10
WCREAL07	Land at Earl's Court Farm	No response to development questionnaire.	13
WCREAL08	Land adjacent to the Masonic Hall	No response to development questionnaire. Still in use a Masonic Hall.	30
WCMU04	Trinity House/Cornmarket/Lowesmoor	No response to questionnaire (Trinity House)	50
WCMU07	Blockhouse/Carden Street Opportunity Zone	Active employment site at present.	120
			<b>395</b>

## Wychavon

Reg 19 Site reference	Site Name	Comments	SITE TOTAL
WYPHM03	Land at Mayflower Road, Droitwich Spa	Current use as open space, will not be brought forward for housing.	5
WYPHM09	Land at Common Road, Evesham	No response from landowner / developer. Cannot take forward.	7
WYPHM13	Land at Cheltenham Road (Chemtura), Evesham	No response from landowner / developer. Cannot take forward.	48
WYHMA01	Garage, High Street, Pershore	Site in multiple ownerships, no confirmation of delivery.	20
WYHMA02	Garage Court, Abbots Road, Pershore	Landowner says cannot develop the site.	13
WYHMA04	Boxing Club, Kidderminster Road, Droitwich Spa	No movement in last 20 years. No confirmation of delivery.	10
WYHMA05	Oakham Place, Droitwich Spa	Confirmation that site will not come forward.	6
WYHMA06	Acre Lane, Droitwich Spa	Long term lease with Scouts and Guides until 2040. Will not come forward within the plan period	20
WYHMA07	Willow Court, Westwood Road, Droitwich Spa	Confirmation that the site will not come forward.	10
			<b>139</b>

## Malvern Hills

Reg 19 Site reference	Site Name	Comments	SITE TOTAL
MHHA01	Former Railway Sidings, Peachfield Road	PP 20/00063/FUL to redevelop part of site for employment. No response from developer on housing delivery.	20
MHHA02	Victoria Road Car Park	Developer stated no longer intend to develop site	21
MHHA10	Strand Cottages, Peachley Lane	No response to developer questionnaire.	6
			<b>47</b>



## Annex 2 – Proposed allocation sites with likely significant reduction in numbers

Reg 19 Site reference	Site Name	Comments	Current Site Total	New Site Total
<b>Wychavon</b>				
WYPHM04	Land North / South Union Lane, Droitwich Spa	Discussion ongoing relating to site capacity.	400	<b>250</b>

## Annex 3 – Track changes of SWDPR 02

### SWDPR 02: Employment, Housing and Retail Requirements

- A. In order to meet the development requirements, the SWC will plan, monitor and manage the delivery of at least 26,360 additional new dwellings, in addition to 362.45ha (against a demand of 350.50ha) of new employment land as set out in the site allocations policies SWDPR 51 to SWDPR 63.

#### Housing Requirement

- B. Table 1 below sets out the housing requirement for the local plan period ending 31 March 2041.

Table 1: Housing Requirement for the SWDP Review

	<b><i>Calculating the Requirement</i></b>	
<b>X</b>	<b>Standard Method Output 2021-2041</b>	<b>25,860</b>
<b>Y</b>	<b>Additional 500 dwellings at Mitton</b>	<b>500</b>
<b>Z</b>	<b>Total Housing Requirement (X + Y)</b>	<b>26,360</b>
	<b><i>Housing Completions</i></b>	
<b>A</b>	<b>Housing Completions 2021-2041 2021-2022 1816 completions 2022-2023 1814 completions 2023-2024 1263 completions</b>	<b>4,920</b>
<b>B</b>	<b>Remaining Housing Requirement for the Plan Period (Z – A)</b>	<b>21,440</b>
	<b><i>Housing Supply: Meeting the Requirement</i></b>	
<b>A</b>	<b>Outstanding Deliverable SWDP Allocations (as of 31 March 2021)<sup>3</sup></b>	<b>3,975</b>
<b>CB</b>	<b>Commitments as at 31 March 241 (with 5% lapse rate applied to Commitments Not Started)</b>	<b>9,413 8,925</b>
<b>D</b>	<b>Existing allocations</b>	<b>900</b>
<b>EC</b>	<b>Contribution from Windfalls – for years 7 to 20 of the plan period (14 years) Development Small windfalls of 240 dwellings per annum (240 x 14 = 3,360)</b>	<b>6,748 2,460</b>

<sup>3</sup> This figure excludes sites that are accounted for as commitments as at 1 April 2021 to avoid double counting. It also excludes reallocated sites at: the Canal Basin (Netherwich) (previously SWDP48/6) allocated for 60 dwellings; Land adjacent to Station Road, Broadway (previously SWDP59/19) allocated for 84 dwellings; and Land north of Woodhall, Ombersley (previously SWDP59/26) allocated for 36 dwellings as these have been included in the proposed new allocations calculation. The figure includes remaining deliverable sites allocated in adopted Neighborhood Development Plans as at 1 April 2021.

	<b>Large windfalls of 242 per annum (242 x 14 = 3,388)</b>	
<b>FD</b>	<b>Net Total Housing Requirement ( <math>B - [C + D + E]</math> )</b> <i><math>Z - [A + B + C]</math></i>	<b>4,379 11,000</b>
<b>GE</b>	<b>Housing Supply (Total Proposed New Allocations)<sup>4</sup></b>	<b>11,031 13,240</b>
<b>H</b>	<b>500 dwellings at Mitton to meet Tewkesbury's need</b>	<b>500</b>
<b>I</b>	<b>New allocations against Net Housing Requirement ( <math>(G + H) - F</math> )</b>	<b>+ 7,152</b>
<b>JF</b>	<b>Balance against Total Housing Requirement</b> <i><math>I / Z \times 100 (E - D)</math></i> <i><math>\{ (E - D) / D \} \times 100</math></i>	<b>+ 27.13% + 2,240</b> <b>(+20.4%)</b>

### Housing Trajectory

- C. To ensure a plan-led approach to development, the net completions in the plan period are to be subtracted from the overall housing requirement, with this figure then distributed evenly between the remaining years of the plan period. There were 4,920 completions between 2021 and 2024. The remaining 17 years of the plan up to 2041 will therefore have an annual housing need of 1,261.
- D. Annex H of this plan shows the trajectory for delivering new homes over the plan period.
- E. Annex E of this plan shows the Housing Requirement to 2041 by Designated Neighbourhood Area.
- F. Delivery will be monitored on at least an annual basis through the Authorities Monitoring Reports.

### Employment

- G. The gross demand for employment land, as identified in the 2022 Economic Development Needs Assessment (EDNA), for the period 2021 to 2041 is 350.50ha ha of which 71.75 ha is already committed (as of 31/3/2021), i.e., has planning permission. The proposed employment allocations in the SWDP Review total 290.70ha (including 75 ha at the strategic locations). This gives a surplus of 11.95ha of employment land across the plan area.

<sup>4</sup> This figure excludes sites that are accounted for as commitments as at 1 April 2021.