 Executive – 31 May 2018		Agenda Item No. 3
Title	Student Housing Strategy	
For further information about this report please contact	Andrew Jones Deputy Chief Executive Email: andrew.jones@warwickdc.gov.uk Ken Bruno Housing Strategy and Development Manager Email: ken.bruno@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive, 1 st June 2017. Minute 4.	
Background Papers	None	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive	14/5/2018	Bill Hunt
Heads of Service	14/5/2018	Lisa Barker
CMT	14/5/2018	Chris Elliott
Section 151 Officer	14/5/2018	Mike Snow
Monitoring Officer	14/5/2018	Andrew Jones
Finance	14/5/2018	Mike Snow
Portfolio Holder(s)	14/5/2018	Cllr Peter Phillips
Consultation & Community Engagement		
None, but this is proposed as one of the next steps.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 Following concerns in 2016 and 2017 about the impact of student numbers and the transient nature of the population in concentrated areas, particularly in South Leamington, the Executive resolved to develop a strategy to assess and respond to these issues and set out a longer term vision for the District in respect of student housing.
- 1.2 This report outlines the work undertaken so far and the suggested forward strategy.

2. **Recommendation**

- 2.1 That the following policy statement and aims be adopted.

Background:

The student population is diverse with, for example, Warwickshire College students, University of Warwick students who move to the area for a limited three or four years and local part-time students who are long-term residents in the area.

Policy statement:

Warwick District Council welcomes all students to our District and recognises the important social and economic benefits that they bring. The Council also understands that having a large student population can place stress on the settled community and has an impact upon housing demand. Our goal is to support local people while positively integrating the student population among local communities, and encouraging students to remain in the area for employment after graduation as permanent long-term residents.

Our aims are:

- To attract students to live in the district, during and after their studies, throughout the academic year.
- To encourage the provision of purpose-built student accommodation of an appropriate type and quality in sustainable locations thereby encouraging students to move from HMO style accommodation.
- To ensure that the necessary support services are in place for the whole community to ensure community cohesion and integration across all the generations.

3. **Reasons for the Recommendation**

- 3.1 The first phase of the work was to carry out an in-depth analysis of the data about student numbers within the District, in particular Kenilworth, North Leamington, South Leamington and Whitnash. This would provide a fact-based grounding for formulating the student housing strategy.
- 3.2 Housing market analysis is a specialist area and the Council does not have the resources in-house to undertake this type of work so a bid was made for external funding from the Local Government Association (LGA) Housing Advisers' Programme, which was successful in securing initial funding. The LGA then procured and paid for an independent external housing market analyst to carry out this task.

- 3.3 The analysis required gathering data from a wide range of sources and included investigating the influence of Coventry University and student housing trends in Coventry, as well as Warwick District.
- 3.4 Phase one has involved gathering data from diverse and sometimes conflicting sources and has taken longer than was desirable, and on one level it could be perceived as “nothing new”. However, it is essential that policy is evidence-based and can withstand scrutiny, particularly where planning policies are involved which are subject to inspection, intensive scrutiny and always open to the potential for challenge at appeal. For this reason, officers have taken the view that time should be invested to ensure that the report should be guided by the empirical evidence as to the next steps, and in consequence have resisted laying out further plans prior to the conclusion of this phase.
- 3.5 It is also very important to note that the analyst and their analysis were completely independent of the Council and the universities. He was commissioned by and paid for by the LGA and has used data from a whole range of sources, including data obtained by local residents through Freedom of Information requests.
- 3.6 The findings of this research are attached as appendix one to this report. The most important points are as follows:
- Student households do not represent the majority of private rented households even in those wards with high numbers of students in them.
 - Warwick district contains high concentrations of students in specific local areas (Leamington Brunswick, Clarendon, Milverton and Willes). While students’ contribution to the local community and economy is welcome, there are other implications for these areas, particularly those with large numbers of HMOs. Forecasts provided by the University of Warwick indicate they are seeking to grow their student numbers in future years. This will increase demand for student housing in the district, putting further pressure on existing housing and communities.
 - However, Warwick District is not a self-contained student housing market. It is closely linked with Coventry. Any changes to student numbers at Coventry University and student housing supply in Coventry will have an impact on student housing demand in Warwick District.
 - Published forecasts suggest Coventry University are looking to continue their recent robust growth in student numbers. These increases are being met by the substantial development of purpose-built student housing in the City. Therefore, despite the increase in student numbers, the demand for beds in the private rented sector is falling and this looks set to continue. It is likely that this “surplus” private rented housing will be occupied by other non-student private renters or sold to home-owners.
 - Warwick District remains an attractive place to live for many students and the Council should seek to benefit from any increase in student numbers. Based on recent trends in where University of Warwick students live, available forecasts for student numbers, and estimates of student housing supply, there is the need for available student housing in Warwick District to increase by 120 beds per year over the next three years (360 beds in total).

- Meeting this increased student housing demand in the private rented sector via HMOs risks increasing the pressure on everyone in the community, including students. Alternative approaches should instead be actively promoted and include:
 - Encouraging the University of Warwick to increase housing provision directly on campus;
 - Supporting the provision of purpose-built student accommodation to cater for the additional student housing demand and to reduce the extent of the use of HMOs for student accommodation. Relying on the purpose-built sector is not without risk but it can help accommodate more students and reduce the pressures if planned for appropriately.
- 3.7 The analysis is broadly in line with the anecdotal comments about student numbers. Had the data been more equivocal, or had it shown that the reality was in fact different to the perception, the next stage would have been an option appraisal to consider what the Council's policy should be and how the district in the wider sense should respond to the new evidence. However, given the findings, this is no longer considered necessary.
- 3.8 Because the findings set out in paragraph 3.6 demonstrate that an option appraisal is not necessary phase two of the development of the strategy can now be proposed with clarity. There are two aspects to this: influencing the future provision of student accommodation and assisting community integration. These can proceed simultaneously.
- 3.9 As regards influencing future provision the next steps would be:
- Preparing a Student Housing Supplementary Planning Document (SPD) setting out our planning policies towards the design and location of purpose-built student accommodation; and
 - Working with the University of Warwick to promote further on-campus provision and a more dispersed distribution of the student population across Warwick District to enable the district to positively integrate the student and settled populations.
- 3.10 The Planning Policy team has already undertaken some preparatory work on the SPD and can utilise the findings of the research from phase one which will help this piece of work to move forward efficiently. Once a draft SPD has been prepared it will be brought to Executive for approval to then go out for public consultation.
- 3.11 With long lead times in Planning Policy approvals, influencing the housing market in the manner required will inevitably take time to have an effect so the Council needs to support all local people, including students, in the meantime. It is proposed to consult with people in areas with high student numbers about the support services that all sections of the community need to help maintain a cohesive community.
- 3.12 A successful bid for additional LGA funding has been made to continue with the Student Housing Strategy project and this will be used to procure external communications specialists to design and undertake the consultation process. As with the data analysis work in phase one, the use of independent experts should give residents and students confidence that their views will be reflected and taken into account.

- 3.13 Expressions of interest will be invited shortly with a view to having the findings available and producing a responsive action plan in the autumn.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
Student housing need is accommodated while meeting the wider housing needs of the local community. Managed Purpose-Built Student Accommodation could lead to more cohesive communities and better health for residents of the PBSA with on-site waste management and welfare support.	Pockets of anti-social behaviour are addressed.	Secures the positive economic benefits that university students bring to the District.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged,	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management

empowered and supported The right people are in the right job with the right skills and right behaviours	provision of services	Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
None.	Services adapted to the needs of all the community in areas of high student concentration.	None.

4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies. The Council adopted the current Housing and Homelessness Strategy in April 2017. This includes an objective of improving the management and maintenance of existing housing and an action to tackle the issues around student housing.

4.3 **Changes to Existing Policies**

This report does not change policies but takes forward an action in the Housing & Homelessness Strategy.

5. **Budgetary Framework**

5.1 There are no budgetary implications arising from this report.

6. **Risks**

6.1 Preparing a Supplementary Planning Document follows a well-established process which should help to minimise risks on that work.

6.2 The main risks of the community engagement are that no suppliers bid to undertake the work and that the findings/recommendations cannot be fully resourced.

6.3 The first of these will be managed by advertising widely for expressions of interest while the second will need to be handled through the action planning process.

7. **Alternative Option(s) considered**

7.1 The Executive has previously resolved to take forward work on a Student Housing Strategy. The data has shown that action is required so a "do nothing" option is not appropriate.

7.2 As outlined in 3.7 above an option appraisal exercise was considered but rejected because it would take quite some time and would delay actions when the data is unequivocal and points in the direction of the strategy proposed.

Residential
Analysts

Student Housing Need in Warwick District

Summary Report & Evidence Review

Report for Warwick District Council

16th May 2018

This project is part of the Local Government Association's Housing Advisers Programme 2017/18 which funds the provision of an independent adviser offering bespoke expert support to local authorities for a specific project working to deliver homes, reduce homelessness, or generate savings or revenues. Find out more about the programme and what it can offer local authorities - www.local.gov.uk/housing-advisers-programme

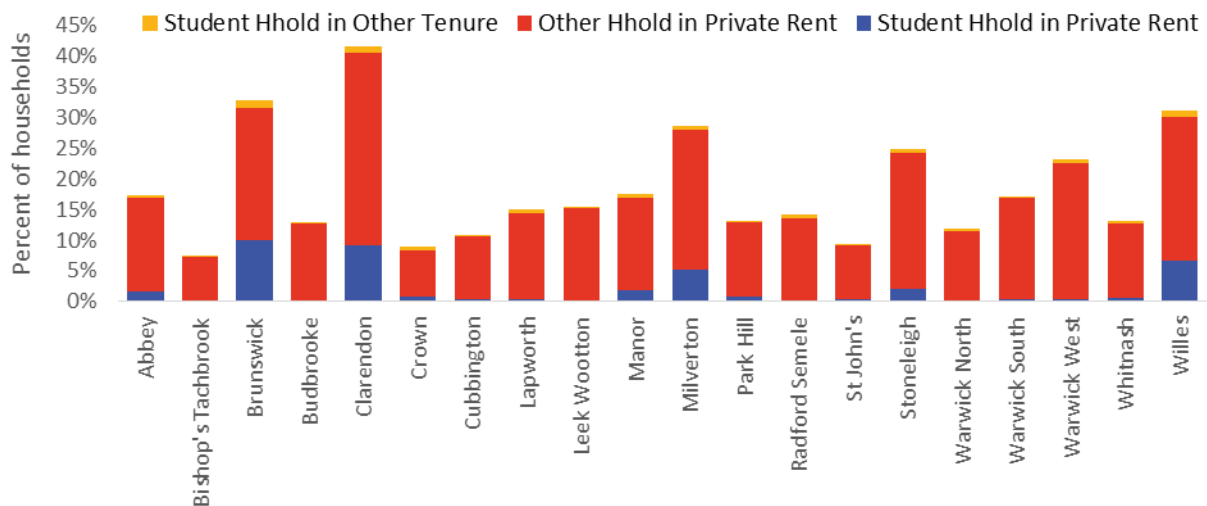


Summary Report

Warwick district is home to many students, with nearly 3% of households headed by a full-time student in 2011 compared to 1.8% across England & Wales. That may not be a significant proportion of total households across the district but, as Figure 1 shows, there are high concentrations in specific local wards (2011 based). These include nearly 10% of households in both Brunswick and Clarendon, 6.6% in Willes, and 5.2% in Milverton.

Figure 1 – Student Households & Other Private Renters by 2011 Ward

Source: 2011 Census (excludes students in halls of residence)



Students' contribution to the local community and economy is important but there are other implications for these areas of high student concentration. This is particularly the case in areas such as the centre and south of Royal Leamington Spa. However, as Figure 1 also shows, even in locations with high proportions of student households most private renters are non-students. Care needs to be taken to balance not just the needs of students versus the needs of home-owners but also versus those of other private renters, including the many single person and family households in the sector.

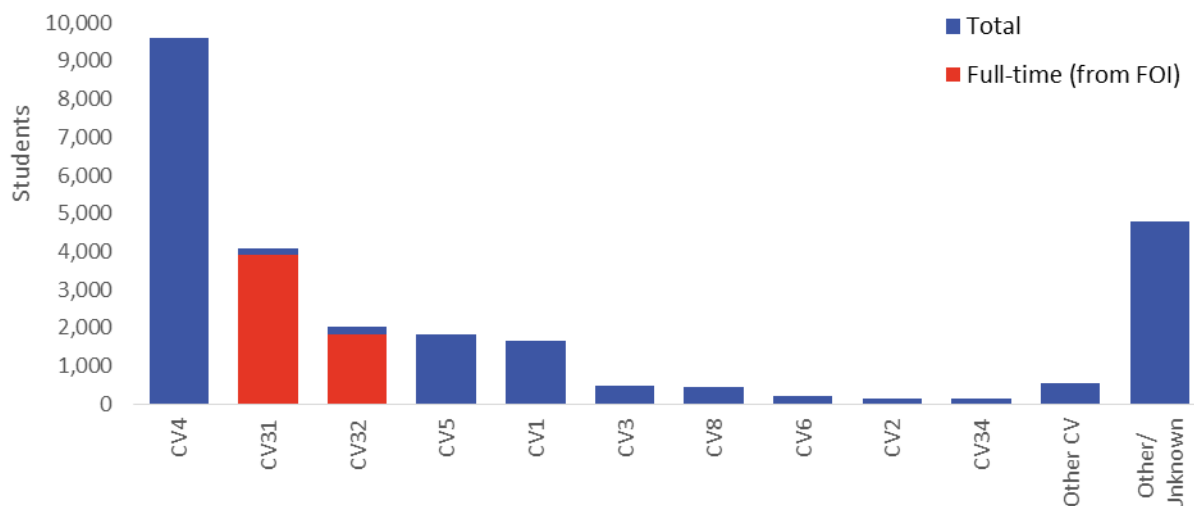
The impact of high concentrations of HMOs, often lived in by students but not exclusively, can sometimes include but is not limited to: a more transient population, noise complaints, issues with rubbish, and other anti-social behaviour. An Article 4 Direction and other initiatives have been used to help manage these issues.

To assess the potential impact of any growth in student numbers at the University of Warwick, we have looked at where existing students live and available forecasts for future numbers. The forecasts provided by the University of Warwick indicate they are seeking to grow their student numbers in future years, albeit at a relatively slow rate. This will increase demand for student housing in the district, putting further pressure on existing housing and communities.

However, it is not enough to just look at total student numbers at the University of Warwick. Warwick district is not a self-contained student housing market as it is closely linked with Coventry district. As Figure 2 shows, students at the University of Warwick live in both districts. The postcode district CV4, where the university is located, is split across the two districts. CV31 and CV32 are in Warwick district while CV1 and CV5 are in Coventry district. With a choice of where to live across the two districts, any changes to student numbers at Coventry University and student housing supply in Coventry district will have an impact on student housing demand in Warwick district.

Figure 2 – Postcode District of Residence, University of Warwick, 2017/18

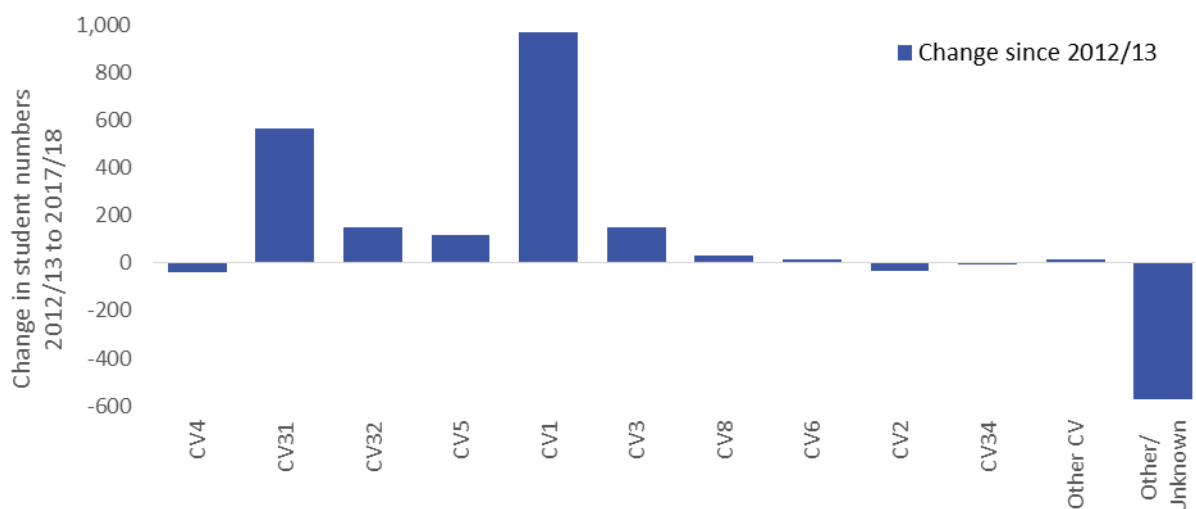
Source: University of Warwick



The links between two districts can be seen in Figure 3 which shows the change in where University of Warwick students live over the last five years. The biggest numerical increase is seen in central Coventry, CV1, which has benefitted from substantial development of purpose-built student housing in recent years. However, despite this growth, there has still been an increase in students living in Warwick district, specifically Royal Leamington Spa.

Figure 3 – Change in Postcode District of Residence, 2012/13 to 2017/18

Source: University of Warwick



Forecasts published by Coventry University suggest they are looking to continue their recent robust growth in student numbers. However, the increase in student numbers is being met by the substantial development of purpose-built student housing. Therefore, despite the increase in

student numbers, the number of beds available in the purpose-built sector will increase and so demand for beds in the private rented sector is falling and will likely continue to fall. Anecdotal evidence from the Coventry market suggests that landlords are finding it difficult to find enough student tenants. It is quite likely that this surplus private rented housing will be occupied by other non-student private renters or sold to home-owners.

Despite the increased competition from Coventry, Warwick district remains an attractive place to live for many students and the council should seek to benefit from any increase in student numbers. Using available forecasts for student numbers and estimates of student housing supply, a residual number of students that would need to be housed in the private sector can be calculated (as seen in Figure 4). Based on these calculations, there will be an estimated increase of 900 University of Warwick students needing to be housed in the private sector over the next three years. The latest trends in where University of Warwick students live suggest that around 360 of these students will live in Royal Leamington Spa.

Figure 4 – University of Warwick Student Housing Supply & Demand

Source: calculated using University of Warwick and other data

	2015/16	2016/17	2017/18		2020/21		Change 2017-18 to 2020/21
Full-time Students	19,200	20,000	21,500		22,800		1,300
University Beds	6,400	6,500	6,800		7,200		400
Nomination Agreements	600	500	1,100		1,100		-
Residual	12,200	13,000	13,600		14,500		900

Meeting this increased student housing demand in the private rented sector via HMOs risks increasing the pressure on everyone in the community, including students. Additionally, it remains to be seen whether there is sufficient demand from landlords given national tax changes and other considerations limiting demand for new purchases. While the University of Warwick should be encouraged to increase housing provision on campus, the purpose-built sector is ideally placed to cater for the additional student housing demand. Relying on the purpose-built sector is not without risk but it can help accommodate more students and reduce the pressures if planned for appropriately.

Evidence Review

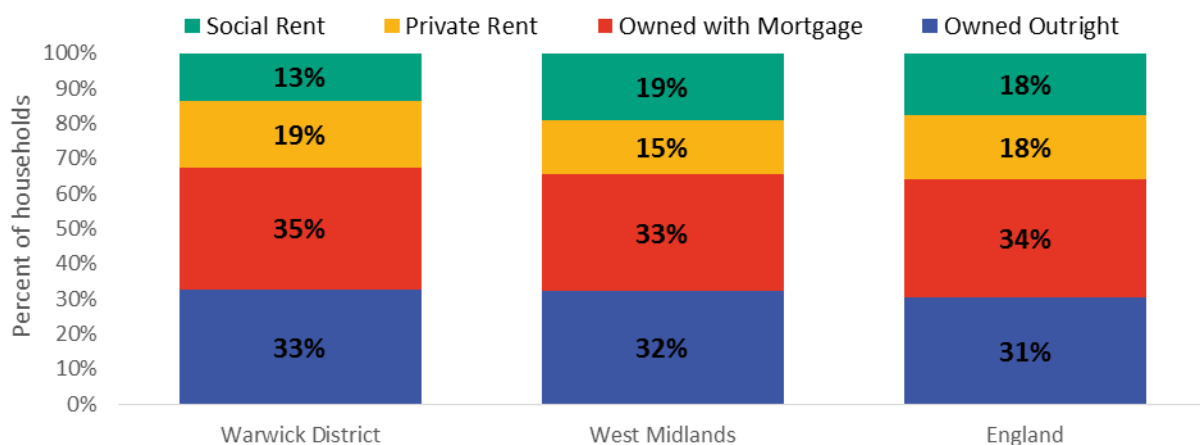
This section of the report contains further evidence used to create the summary report.

The best source for local information on demographics and housing is the Census. Unfortunately, the 2011 Census is increasingly out-dated. However, it still provides a useful reference for understanding local markets and can be cross-referenced against timelier national and regional data.

In 2011 Warwick district had a broadly similar tenure distribution to the national average, though with a slightly higher proportions living in privately owned tenures. National data suggest the private rented sector has grown by only around 2 percentage points since 2011 and so the Census data should still be broadly indicative of trends in the local market.

Figure 5 – Housing Tenure, 2011

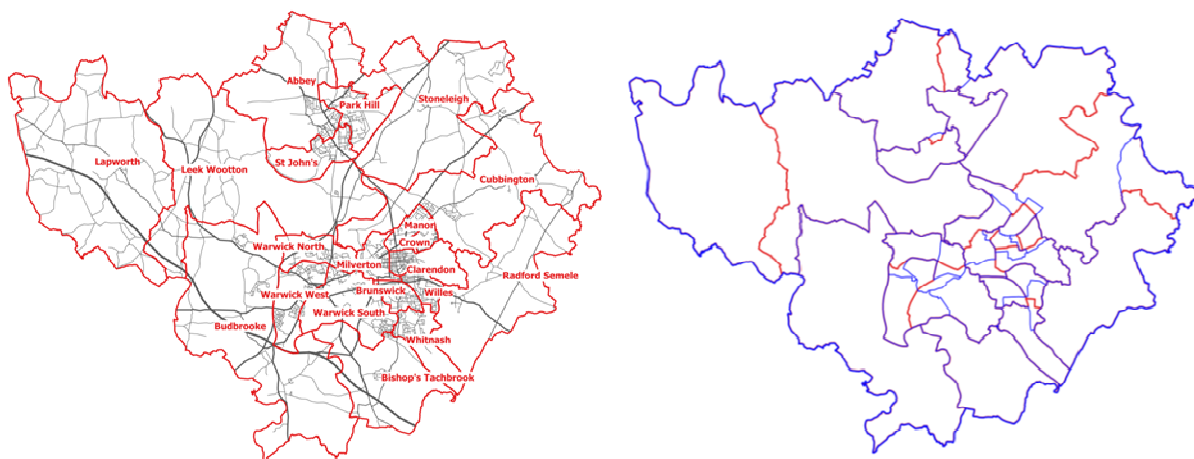
Source: 2011 Census



Much of the following analysis is undertaken using 2011 wards. These do not exactly match current (2016) wards and so the two maps in Figure 6 are provided. The left-hand map shows the boundaries and names of 2011 wards while the right-hand map shows the difference in boundaries between 2011 (red) and 2016 (blue).

Figure 6 – 2011 Ward Names and Comparison With 2016 Ward Boundaries

Source: ONS



Investigating housing tenure by ward across Warwick district highlights significant variation. The wards with the highest rates of private renting were: Clarendon (40%), Brunswick (32%), Willes (30%), and Milverton (28%). In 2011 these four wards housed 44% of all private rented households living in Warwick district. These are also the four wards with the highest proportions of student households.

Figure 7 – Housing Tenure by 2011 Ward

Source: 2011 Census

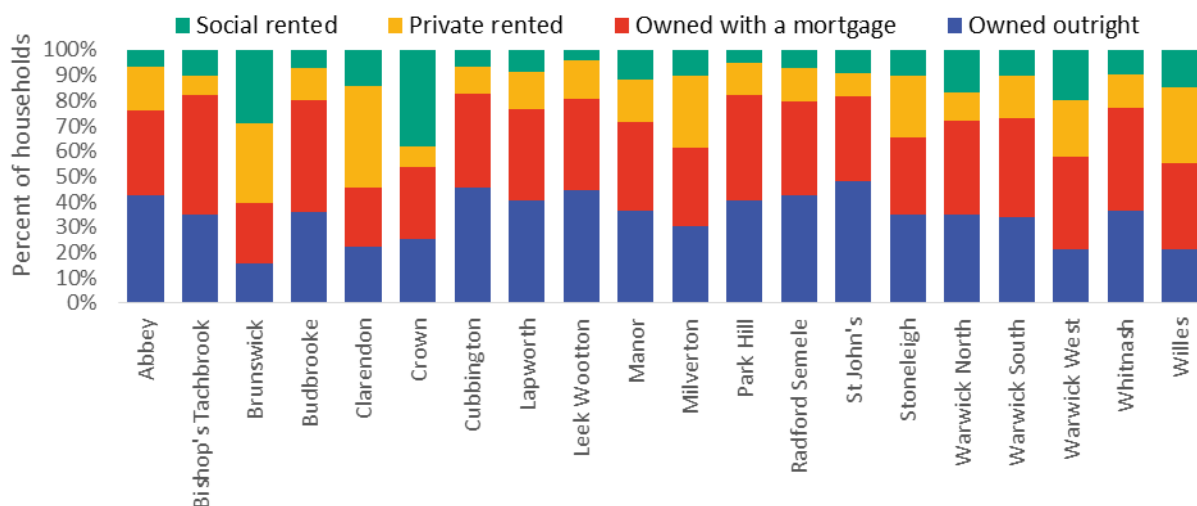


Figure 1 has already shown that most private rented households are not student households. Figure 8 reinforces this point by showing that most private rented households are single family and one-person households rather than multi-family households. This is true across all wards in Warwick, even those with the highest proportion of student households.

Figure 8 – Private Renter Household Composition by 2011 Ward

Source: 2011 Census

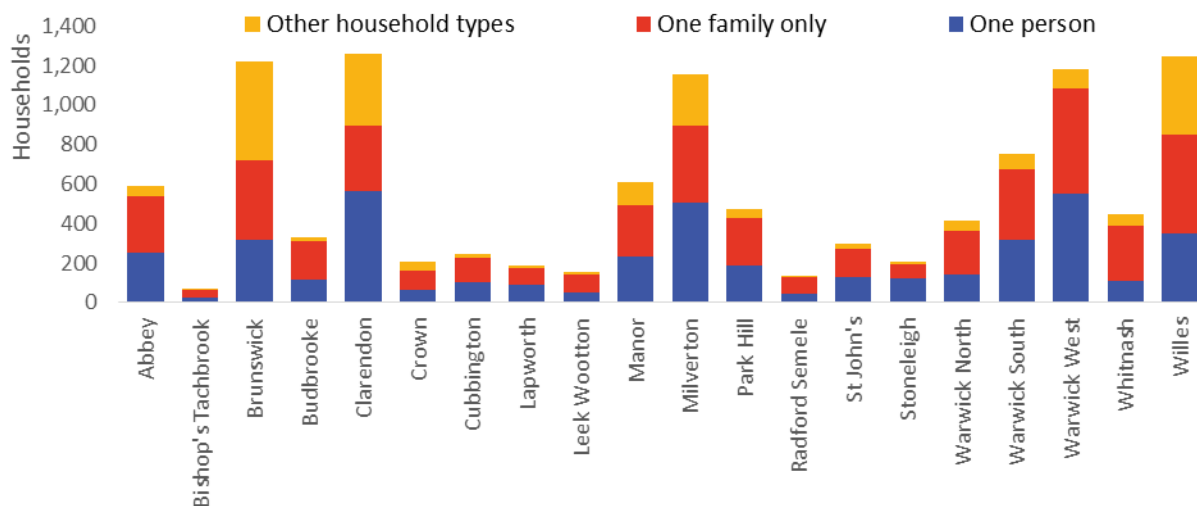
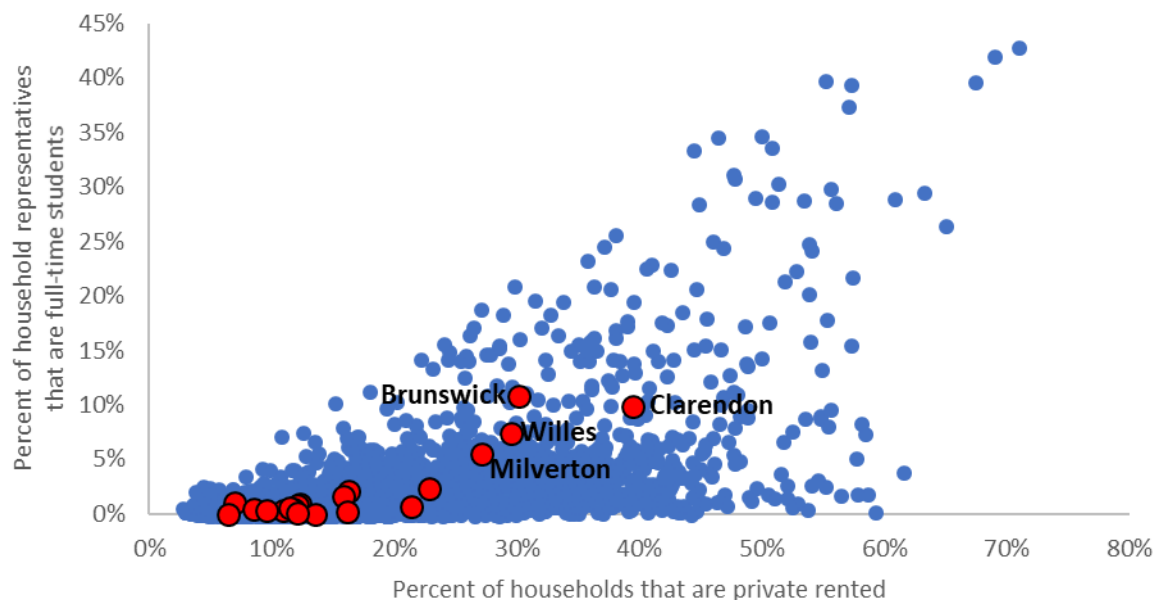


Figure 10 provides a comparison of all wards across England and Wales in terms of the proportion of households living in the private rented sector (x axis) and the proportion of households headed by a full-time student (y axis). All wards in Warwick are highlighted in red while the four wards with the highest rate of private renting and student households are also labelled. It shows that, while the rates are relatively high and above the typical national range, there are other local areas across the country with similar or higher proportions of private renting and student households.

Figure 9 – Comparison of Wards Across England & Wales, 2011

Source: 2011 Census



Students may not form the majority of households at a ward level but analysis at Output Area, the lowest publicly available Census geography, shows that there are very local areas in Royal Leamington Spa with very high concentrations of student households.

Figure 10 – Student Households as % of Total by 2011 Output Area

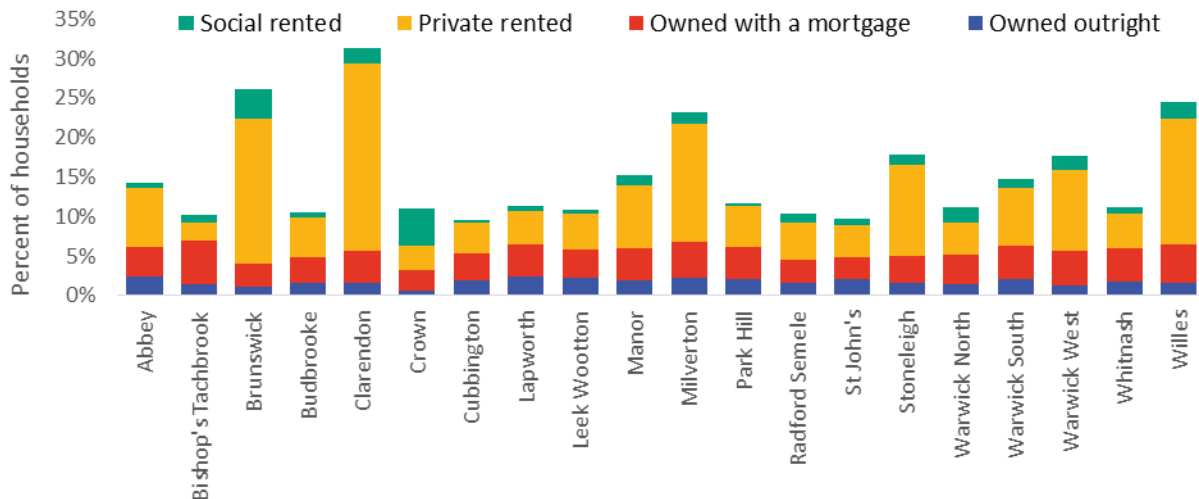
Source: 2011 Census



As noted in the summary report, high concentrations of private renters will typically lead to a more transient population in the local area. Figure 11 shows the percent of households that either partially or wholly moved in the year leading up to the 2011 Census along with the tenure of the household. The impact of the four wards with the highest proportions of private renters and student households can be seen. 31% of all households in Clarendon, 26% in Brunswick, 24% in Willes, and 23% in Milverton partially or wholly moved in the year.

Figure 11 – Households Partially or Wholly Moved by 2011 Ward

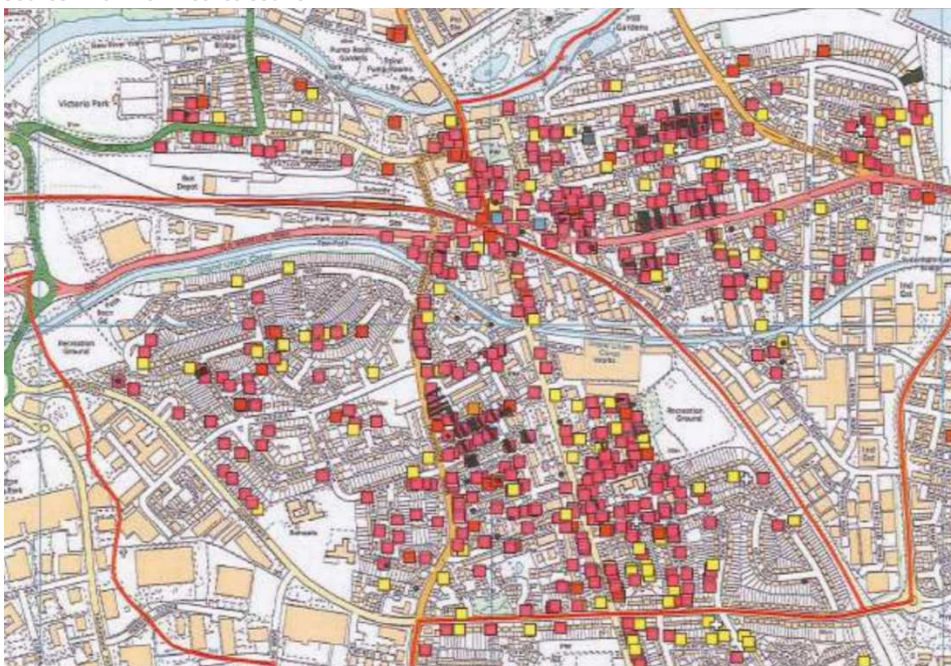
Source: 2011 Census



Areas with high concentrations of HMOs may also experience more issues with rubbish. The hotspot map below, created by Warwick District Council, highlights areas in south Leamington Spa with large numbers of waste issues. There is some correlation with this map and the map in Figure 9.

Figure 12 – Hotspot Map of Waste Issues in Royal Leamington Spa

Source: Warwick District Council



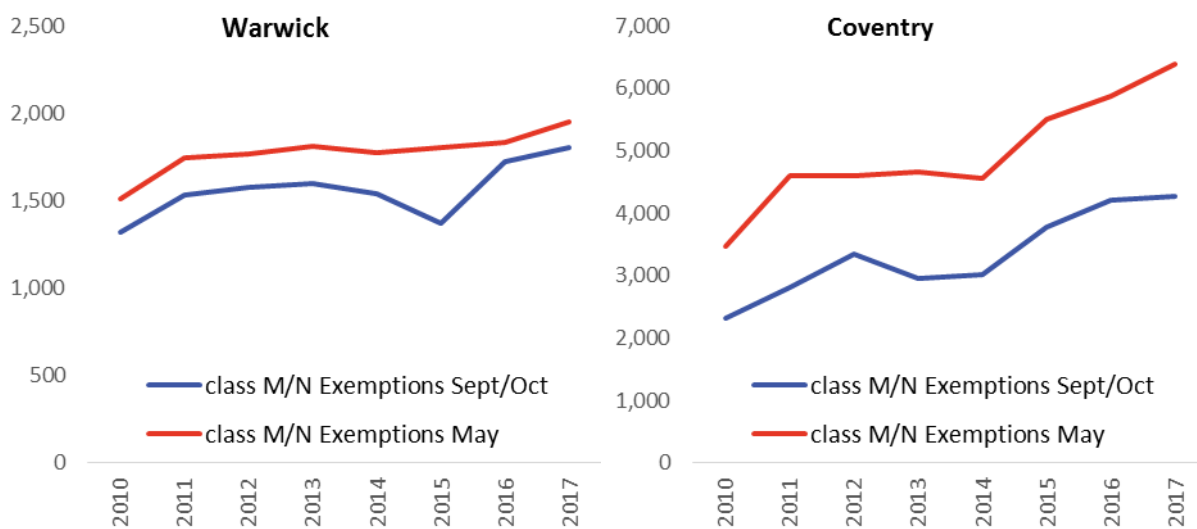
Comprehensive data on the available supply of student housing is limited. However, the Council Taxbase provides a useful reference, particularly the dwellings excluded due to:

- class M: A hall of residence provided predominantly for the accommodation of students
- class N: A dwelling which is occupied only by students, the foreign spouses of students, or school and college leavers.

Comparison of the number of excluded dwellings/halls of residence in Warwick and Coventry districts shows two different patterns. The number of exempted properties in Warwick has increased by 12% since 2011 while the number in Coventry has increased by 39% over the same period. All the increase in Coventry has occurred since 2014 and probably reflects the substantial increase in available student housing in the district.

Figure 13 – Council Tax base – Class M/N Exemptions

Source: MHCLG

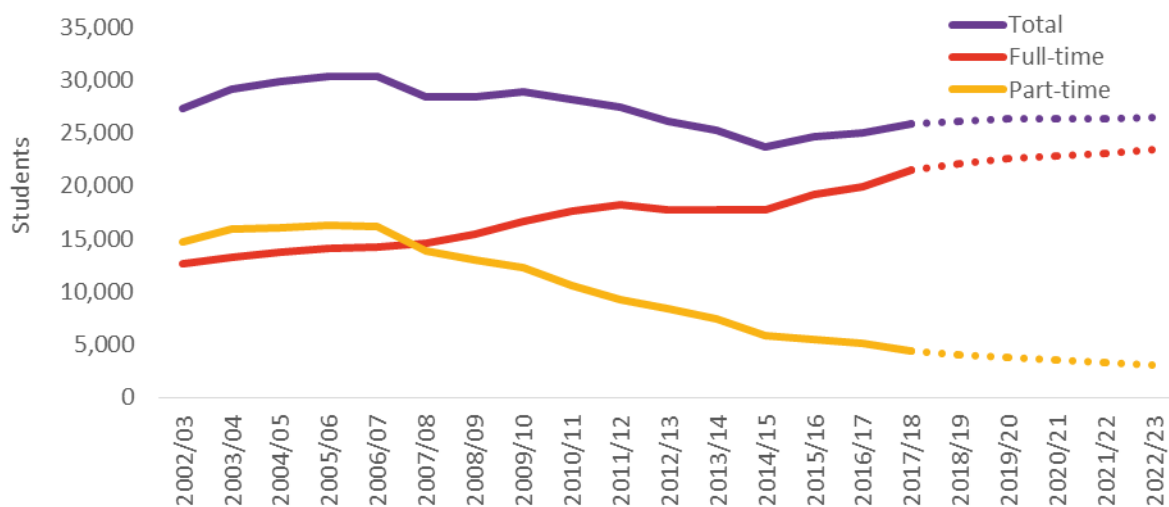


To assess the future student housing need in Warwick district, forecasts of future student numbers are required. We have created forecasts for full-time and part-time student at both the University of Warwick and Coventry University. These are based on historic data from HESA, data provided by the University of Warwick, published documents from Coventry University, and trend-based analysis. They are the best available estimates but may be subject to change in the event of more detailed information being released.

Part-time student numbers at the University of Warwick have seen a large fall in recent years. This decline is expected to continue while full-time student numbers will continue to slowly increase over the forecast period.

Figure 14 – University of Warwick Projected Student Numbers

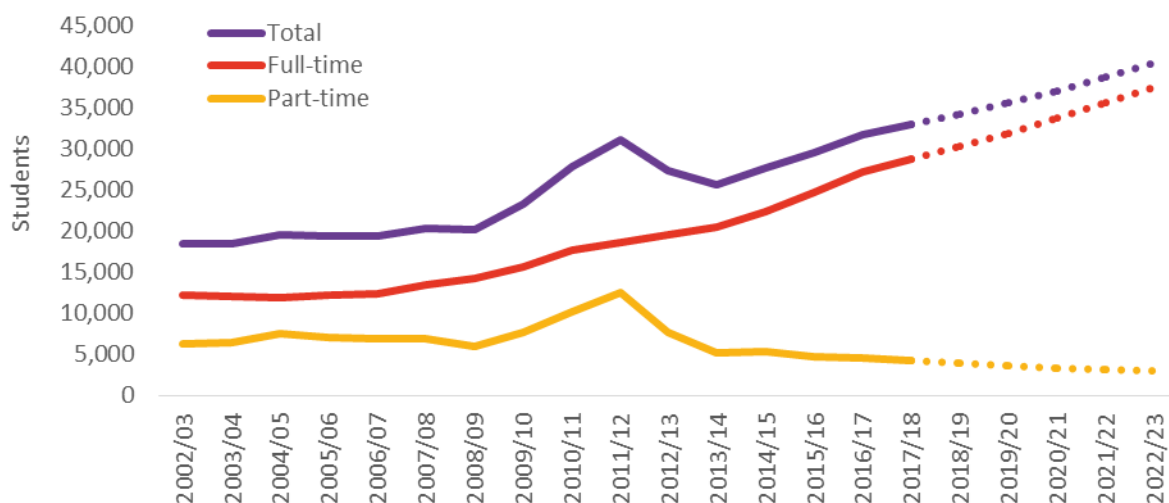
Source: HESA, University, Author's Estimates



Coventry University has also seen a decline in part-time student numbers but this has been more than compensated for by the rapid increase in full-time student numbers. This is expected to continue but there are significant risks to the forecast, including the expected growth in international student numbers failing to materialise.

Figure 15 – Coventry University Projected Student Numbers

Source: HESA, University, Author's Estimates



Figures 17 and 18 provide a more detailed university-based breakdown of supply and demand that is summarised in Figure 4 of the Summary Report. Although the number of students at Warwick is expected to grow slower than at Coventry, the lack of identified supply increases results in a need for the private sector to absorb an additional of 900 students over the next three years.

Meanwhile, the robust growth in Coventry student numbers will be met by the continued growth in both university and private provider purpose-built accommodation. That will see fewer students needing to find somewhere to live in Coventry's private rented sector.

Figure 16 – University of Warwick Estimated Housing Need

Source: HESA, University, Author's Estimates

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Change 2017-18 to 2020/21
Full-time Students	19,200	20,000	21,500	22,100	22,500	22,800	1,300
University Beds	6,400	6,500	6,800	6,600	6,900	7,200	400
Nom Agreements	600	500	1,100	1,100	1,100	1,100	-
Private Sector	12,200	13,000	13,600	14,400	14,500	14,500	900

Figure 17 – Coventry University Estimated Housing Need

Source: HESA, University, Council, Author's Estimates

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Change 2017-18 to 2020/21
Full-time Students	24,700	27,200	28,500	29,900	31,400	33,000	4,500
University Beds			1,800	3,300	3,800	3,800	2,000
Other Purpose Built			5,900	7,600	10,500	12,600	6,700
Private Sector			20,800	19,000	17,100	16,600	-4,200