

South Oxfordshire District Council

Local Plan 2034

Topic Paper:

Housing need, housing supply, & housing densities

(Publication consultation version)

January 2019

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1. Introduction

- 1.1. This topic paper provides background and evidence to support policies relating to housing need and supply (including affordable housing), and housing densities in the proposed South Oxfordshire Local Plan 2034. It sets out the relevant national policies and guidance relating to these policies, the evidence that we have gathered to respond to these, and an explanation of how we developed our policies based on this.
- 1.2. The Council has published this version of the Topic Paper (January 2019) to support its consultation on the proposed submission local plan. We will update the topic paper if necessary to respond to any relevant comments made on this document during the consultation period. However, as is the case with the Local Plan itself, we cannot make any substantive changes to the policies or strategy within.
- 1.3. This topic paper covers the following policies in the Local Plan:
 - STRAT 2: South Oxfordshire Housing and Employment Requirements
 - STRAT 5: Residential densities
 - H1: Delivering new homes
 - H9: Affordable housing
 - Appendix 8: Housing trajectory

2. Policy STRAT2: Housing need and housing requirement

Policy description

- 2.1. Policy STRAT2 sets out the overall housing and employment requirement for the Local Plan. It identifies a total housing need of 22,775 homes between 1 April 2011 and 31 March 2034. This is based on an annual housing need of 775 homes a year for the entire 23-year period (17,825 homes), with an additional 495 homes a year between 1 April 2021 and 31 March 2031 (4,950 homes) to address some of Oxford's unmet housing needs.
- 2.2. This topic paper does not explain the employment elements of Policy Strat2. This is addressed in the Employment Topic Paper.

National Planning Policy Framework (NPPF, 2018)

- 2.3. Paragraph 11 of the NPPF states that local plans should positively seek opportunities to meet the development needs of the area, and that the strategic policies within them should, as a minimum, provide for objectively assessed needs for housing, as well as needs that cannot be met within neighbouring areas.
- 2.4. Paragraph 31 of the NPPF states that the evidence that supports the local plan, and hence the objective assessment of housing needs, should be relevant and up-to-date, but should also be adequate and proportionate.
- 2.5. Paragraph 60 states the minimum housing need for the plan should be informed by a local housing need assessment. We should conduct this assessment using the standard method set out in national planning guidance (see below), unless exceptional circumstances justify an alternative approach. Paragraph 60 goes on to state that in addition to a planning authority's own needs, they should take into account any needs that cannot be met within neighbouring areas in establishing the amount of housing to plan for. There is a distinction in this paragraph between the housing need (South Oxfordshire's need), and an uplift in the housing requirement of the plan to take account of any unmet neighbouring needs.
- 2.6. Paragraph 65 states that plan makers should establish a housing requirement figure for their whole area, which shows the extent to which their own housing need figure can be met over the plan period, as well as any additional needs that cannot be met within neighbouring areas.

Planning Practice Guidance

- 2.7. The most relevant section of the Planning Practice Guidance (the guidance) is entitled “housing needs assessment”¹. We have summarised the pertinent points here, but the guidance is extensive and too long to repeat in detail.
- 2.8. The guidance starts by explaining the difference between the housing need and housing requirement for a local plan. It then goes on to discuss the standard method for working out housing need (as per Paragraph 60 of the NPPF). It states that there is an expectation that the standard method will be used, and that any other approach will be scrutinised more closely at examination. Other approaches to establishing housing need will only be acceptable in exceptional circumstances².
- 2.9. The guidance then goes on to describe how the standard method is applied. We have not repeated this here but have set out in Appendix One how we have calculated this for South Oxfordshire. It gives an annual housing need of 556 homes a year, or 12,788 homes over the 23 year plan period from 2011 to 2034. This is based on the 2016 Office of National Statistics (ONS) [household projections](#) published in September 2018³.
- 2.10. The guidance states that the standard method may identify a minimum local housing need figure that is significantly higher than the number of homes currently being planned for. A cap can be applied to help ensure that the minimum local housing need figure calculated using the standard method is as deliverable as possible. In South Oxfordshire there is no need to apply a cap to the housing need, as the standard method does not result in a need more than 40% higher than our most recently adopted housing requirement in the Core Strategy (527 per annum), nor 40% higher than the household projection growth.
- 2.11. The guidance does go on to state that housing need can be uplifted to take account of certain circumstances. This is a separate process to establishing our plan’s housing requirement, and represents an increase in the housing need. The guidance clarifies that the standard method is the minimum starting point in determining the number of homes needed in an area, and there will be circumstances where the housing need may be higher than the figure derived from the standard method⁴.
- 2.12. In considering this uplift, local planning authorities should consider⁵:
 - I. where previous delivery has exceeded the minimum need identified (in the standard method), we should consider whether the level of delivery is indicative of greater housing need; and

¹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

² Paragraph: 003 Reference ID: 2a-003-20180913

³

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/householdprojectionsforengland>

⁴ Paragraph: 010 Reference ID: 2a-010-20180913

⁵ Ibid

- II. where recent assessments of need, such as a Strategic Housing Market Assessments (SHMA) suggest higher levels of need than those proposed by a strategic policy-making authority, an assessment of lower need should be justified.
- 2.13. In addition to these two points that we **should** consider, the guidance states the following **may** also provide a justification for uplifting our housing need⁶:
- I. where growth strategies are in place, particularly where those growth strategies identify that additional housing above historic trends is needed to support growth or funding is in place to promote and facilitate growth (e.g. Housing Deals);
 - II. where strategic infrastructure improvements are planned that would support new homes; and
 - III. where an authority has agreed to take on unmet need, calculated using the standard method, from neighbouring authorities, as set out in a statement of common ground.
- 2.14. Where a strategic policy-making authority can demonstrate an alternative approach identifies a need higher than that identified using the standard method for assessing local housing need, the approach should be considered sound as it will have exceeded the minimum starting point⁷.

Government consultation on amending the standard method

- 2.15. Between October and December 2018, the Ministry of Housing, Communities and Local Government (MHCLG) launched a consultation on updates to national planning policies and guidance⁸. The proposals in the consultation document can only carry little weight in determining the preparation of our Local Plan as they could be subject to change. However, it is important that we examine this consultation in preparing our plan.
- 2.16. The consultation document identifies that the standard method, nationally, has resulted in a significant drop in the number of homes that need to be planned for. It states that this contradicts government's objective of significantly boosting the supply of housing, and the aspiration to deliver 300,000 homes a year across the country.
- 2.17. The Government are intending to re-work the standard method to ensure it yields the results they aspire to. However, as an interim measure they are suggesting that the ONS 2016-based household projections are not relied on for working out the standard method. The consultation suggests that authorities revert back to MHCLG's 2014-based household projections. If we do this in South Oxfordshire, the local housing need is 627 homes a year.

⁶ Ibid

⁷ Paragraph: 015 Reference ID: 2a-015-20180913

⁸

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751810/LHN_Consultation.pdf

Oxfordshire Strategic Housing Market Assessment (SHMA, April 2014)

- 2.18. All the local planning authorities in Oxfordshire commissioned the SHMA to produce an objective assessment of housing need as required under the original NPPF. We published this in April 2014.
- 2.19. The SHMA assessed the objective needs of the housing market area (Oxfordshire) and suggested a housing need for each of the 5 local planning authorities in the County. It based this assessment on the now defunct planning practice guidance. In doing so, it went much further than the standard method in establishing the housing need for the area. It started by assessing the household projections as the standard method does, but applied further filters to establish the need, including addressing affordable housing shortages, addressing past under-provision, and supporting economic growth.
- 2.20. The SHMA therefore presented a range of housing need for some authorities, while others were given a specific requirement. The Planning Inspectorate found it acceptable to use the midpoint of these ranges for the Cherwell⁹ and West Oxfordshire¹⁰ Local Plan examinations, and in previous drafts of this plan, we proposed to use the midpoint of this range for South Oxfordshire. The midpoint of the range for all the authorities results in 100,000 new homes across Oxfordshire between 2011 and 2031; the basis of the Oxfordshire Growth Deal (see below). This results in an annual housing need of 775 homes per annum for South Oxfordshire.

Oxfordshire Housing and Growth Deal

- 2.21. Government announced the Oxfordshire Housing and Growth Deal (the Growth Deal) in its 2017 Autumn Budget. The Oxfordshire authorities and government signed the outline agreement and delivery plan in March 2018, and various elements of the deal have been implemented since. The deal covers the period to 2031, but currently only has a lifespan for the delivery of housing to March 2023. Both national government and the local partners' expectation is that the deal will be kept under review and extended periodically.
- 2.22. The Growth Deal has committed the Councils in Oxfordshire to collectively deliver 100,000 new homes between 2011 and 2031. As discussed above, this is drawn from the Oxfordshire SHMA. However, the Growth Deal itself is not an assessment of housing need. The [Written Ministerial Statement](#) relating to the Growth Deal acknowledges that the housing ambitions within it are above the housing needs of the County¹¹ established through the application of the standard method¹².
- 2.23. The Growth Deal also commits to £215m of funding for the county to deliver new and accelerated housing delivery. The Oxfordshire Growth Board is currently determining the best

⁹ <https://www.cherwell.gov.uk/info/83/local-plans/376/adopted-cherwell-local-plan-2011-2031-part-1>

¹⁰ <https://www.westoxon.gov.uk/localplan2031>

¹¹ Brokenshire MP, J / Ministry of Housing, Communities and Local Government "Housing Land Supply in Oxfordshire", 12 September 2018

¹² Using either the 2014, or 2016-based projections

way to apportion this funding to various infrastructure projects in Oxfordshire, with the first tranche having been paid in 2018.

- 2.24. Finally, the Growth Deal also provides flexibilities for decision taking purposes through the introduction of a 3-year land supply test. This does not apply to plan making.

Developing the Policy

- 2.25. From the policies, guidance, and evidence discussed above, it is clear there are three potential different housing need figures that we needed to consider in developing Policy STRAT2. These are shown on table 2.1 below. These figures exclude any additional housing that Oxford City cannot meet within its boundary.

Table 2.1: Potential housing need figures		
Potential housing need		Explanation
1	556 homes a year 12,778 - 2011 to 2034	This applies the standard method as set out in the planning practice guidance and uses the ONS 2016-based household projections.
2	627 homes a year 14,421 - 2011 to 2034	This applies the standard method as set out in the planning practice guidance, and uses the MHCLG 2014-based household projections as suggested by the recent MHCLG consultation on changes to guidance and policy.
3	775 homes a year 17,825- 2011 to 2034	An uplift on option 2, to take account of the Oxfordshire SHMA and Growth Deal.

Rejected Option 1: 556 homes a year

- 2.26. This option follows the application of the “standard method” based on the 2016 household growth projections, without considering any further uplift in housing need. We do not consider this housing need to be appropriate for the following reasons:
- The government has provided strong justifications against basing the standard method on the 2016-based ONS projections¹³. While this is not yet government policy, the justifications are still a material consideration in developing the policy.
 - Adopting this housing need would ignore Paragraph 10 of the Housing Needs Assessment Guidance¹⁴. This directs Councils to consider uplifting the need in certain circumstances (see Paragraphs 2.12 and 2.13 above). In South Oxfordshire, the Growth Deal, infrastructure funding, and annual housing completions higher than 556 homes a year would justify an uplift of this need.

Rejected Option 2: 627 homes a year

- 2.27. This option follows the application of the “standard method” based on the 2014 household growth projections, without considering any further uplift in housing need. We do not consider this housing need to be appropriate because:
- Adopting this housing need would ignore Paragraph 10 of the Housing Needs Assessment Guidance¹⁵. This directs Councils to consider uplifting the need in certain circumstances (see Paragraphs 2.12 and 2.13 above). In South Oxfordshire, the Growth Deal, infrastructure funding, and annual housing completions higher than 556 homes a year would justify an uplift of this need.

Proposed Option 3: 775 homes a year

- 2.28. This is the Council’s proposed housing need. The starting point for this to use the standard method from option 2 above (627 homes a year). Then, under Paragraph 10 of the guidance, we believe there is a strong justification for uplifting the housing need to 775 homes a year. These justifications are as follows:
- a) **Growth strategy:** The Oxfordshire Housing and Growth Deal is in place. It commits the Oxfordshire authorities, collectively, to deliver 100,000 homes between 2011 and 2031. While the Growth Deal is not an assessment of housing need, it is strongly related to the Oxfordshire SHMA (2014), which identified a countywide need of 100,000 homes over the same period. Every other authority in

¹³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751810/LHN_Consultation.pdf

¹⁴ Paragraph: 010 Reference ID: 2a-010-20180913

¹⁵ Paragraph: 010 Reference ID: 2a-010-20180913

Oxfordshire has now adopted, or proposed a housing requirement in advanced local plans that contribute to this 100,000 home target. These are shown on Table 2.2 below:

Table 2.2: Oxfordshire authority planned homes 2011 to 2031	
Cherwell	27,240
Oxford	9,690
Vale of White Horse	25,359
West Oxfordshire	15,950
Total	78,239

To meet the requirements of the Growth Deal, South Oxfordshire therefore would need to plan for 21,761 homes between 2011 and 2031. This takes the Growth Deal commitment of 100,000 homes, and subtracts the 78,239 committed homes from the other authorities.

- b) **Strategic infrastructure improvements:** The Growth Deal will provide £150m for infrastructure improvements across the county. In South Oxfordshire, the following projects will be partly funded by the Growth Deal funding:
- Watlington relief road
 - Benson relief road
 - Didcot Garden Town central transport corridor improvements
 - Jubilee Way roundabout (Didcot) improvements
 - Thame to Haddenham cycleway
- c) **Unmet need:** The guidance is clear that unmet need from neighbouring authorities should only be added to our plan's housing need (not requirement), where this has been calculated using the standard method. In our case, Oxford's housing need from the standard method is 806 homes a year, or 16,120 homes between 2011 and 2031. The Oxfordshire authorities have agreed a capacity of the city of 10,000 homes for this period¹⁶, which would result in an unmet need of 6,120 homes. Cherwell, the Vale of White Horse, and West Oxfordshire have all advanced or adopted plans under the previous NPPF (2012) that addressed unmet need differently to the new NPPF. Collectively, those authorities provided / are proposing an additional 9,350 homes to address the City's needs. Consequently, addressing unmet need from the City would not on its own justify an uplift in the housing need for South Oxfordshire. It could however be a justification for uplifting the housing requirement of the local plan.

¹⁶ https://mycouncil.oxfordshire.gov.uk/documents/s34710/OGB_SEP2616R04%20%20Appendix%20Two%20Memorandum%20of%20Cooperation.pdf

- d) **Previous delivery levels:** The guidance states that historic delivery levels that are higher than the standard method housing figure may indicate a higher demand. Table 2.3 below shows the annual housing completions since 2011 in South Oxfordshire. In the last two years (2016/17 and 2017/18), housing completions have exceeded the 627 homes a year identified by the standard method. This is limited only to the past two years however. Consequently, this adds to the justification for an uplift in housing need, but would unlikely be a standalone reason if the other circumstances referred to in a) to c) didn't apply.

Table 2.3: Annual housing completions in South Oxfordshire since 2011							
Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Annual homes built	508	475	484	600	608	722	967

- e) **Recent assessment of housing need (SHMA):** The SHMA, in isolation of the Growth Deal, is not a sufficient justification for uplifting our housing need. It is modelled on the 2011-based interim household projections and was published in 2014. By the time of the submission of the South Oxfordshire Local Plan, the document will be five years old. Consequently, it is not a recent assessment of housing need and does not justify an increase in housing need for South Oxfordshire on its own.

- 2.29. Taken collectively, the Council considers the evidence justifies uplifting the housing need from the standard method. We consider it appropriate to raise the annual housing need for South Oxfordshire from 627 homes a year, to 775 homes a year. This is justified by South Oxfordshire's commitment to the Growth Deal, which is itself based on the housing numbers in the SHMA. Although our conclusions above recommend the SHMA alone is not a sufficient justification for uplifting the need, when taken alongside the Growth Deal, it provides the most appropriate housing need for the district.
- 2.30. This results in a total housing need for South Oxfordshire of 17,825 homes between 2011 and 2034 (775 x 23). The South Oxfordshire SHELAA update (January 2019) shows there is a potential suitable land available in the district for an additional 127,000 new homes. As such, the need can be met in the district.

Assisting Oxford in meeting their housing need

- 2.31. As we have detailed above, housing need can only be uplifted to take account of neighbouring unmet needs if it based on the standard method. This is not the case for Oxford as under the standard method, their unmet needs have been addressed.
- 2.32. However, when developing a housing requirement for the plan (as opposed to the need), we can consider if this should be uplifted further. South Oxfordshire's commitment in the Growth

Deal to deliver 100,000 new homes by 2031 would justify a further uplift in the housing requirement to assist Oxford in meeting their requirement. A failure to do so would significantly reduce the likelihood of the 100,000 homes being delivered, and could threaten the deal as a whole.

- 2.33. The Oxfordshire Memorandum of Cooperation provides an agreed position between each of the authorities in Oxfordshire¹⁷ for Oxford City's Capacity, and hence the level of unmet housing need coming from it. It also contains an apportionment of that unmet need between each of the four rural districts. Like the Growth Deal, it is based on the housing requirements of the Oxfordshire SHMA.
- 2.34. Each of the other three districts in Oxfordshire¹⁸ have progressed or adopted local plans on the proposed split of housing contained in the memorandum. Consequently, to ensure the 100,000 home commitment is met, an additional 4,950 homes is needed in South Oxfordshire's plan. We therefore believe it is appropriate to uplift the housing requirement to meet this. This takes the total housing need between 2011 and 2034 to 22,775.
- 2.35. In accordance with the memorandum of cooperation, the Council intends to monitor the delivery of these 4,950 homes between 2021 and 2031.
- 2.36. The South Oxfordshire SHELAA update (January 2019) shows there is a potential suitable land available in the district for an additional 127,000 new homes. As such, the requirement can be met in the district.

¹⁷ Except for South Oxfordshire District Council, who at time did not

¹⁸ Cherwell, Vale of White Horse, and West Oxfordshire

3. Appendix 8: Housing supply

Policy description

3.1. Appendix 8 sets out the housing trajectory for the Local Plan.

National Planning Policy Framework (NPPF, 2018)

3.2. Government places a significant focus on housing supply in the Framework. It is important that the Local Plan can maintain a sufficient supply of deliverable housing sites. Paragraph 67 of the NPPF states that:

“Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:

- a) specific, deliverable sites for years one to five of the plan period³²; and*
- b) specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.”*

³² *With an appropriate buffer, as set out in paragraph 73. See glossary for definitions of deliverable and developable.*

3.3. Paragraph 68 goes on to state:

“Small and medium sized sites can make an important contribution to meeting the housing requirement of an area, and are often built-out relatively quickly. To promote the development of a good mix of sites local planning authorities should:

- a) identify, through the development plan and brownfield registers, land to accommodate at least 10% of their housing requirement on sites no larger than one hectare; unless it can be shown, through the preparation of relevant plan policies, that there are strong reasons why this 10% target cannot be achieved;*
- b) use tools such as area-wide design assessments and Local Development Orders to help bring small and medium sized sites forward;*
- c) support the development of windfall sites through their policies and decisions – giving great weight to the benefits of using suitable sites within existing settlements for homes; and*
- d) work with developers to encourage the sub-division of large sites where this could help to speed up the delivery of homes.”*

- 3.4. Paragraph 70 states that local plans may make an allowance for “windfall” development in their housing supply. This must be supported by compelling evidence that such sites will provide a reliable source of supply, and that any allowance must be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends.
- 3.5. Paragraph 73 identifies the requirements for establishing a 5-year supply of deliverable housing sites as follows:

“Strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period, and all plans should consider whether it is appropriate to set out the anticipated rate of development for specific sites. Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing against their housing requirement set out in adopted strategic policies³⁶, or against their local housing need where the strategic policies are more than five years old³⁷. The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:

- a) 5% to ensure choice and competition in the market for land; or*
- b) 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan³⁸, to account for any fluctuations in the market during that year; or*
- c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply³⁹.*

³⁶ *For the avoidance of doubt, a five year supply of deliverable sites for travellers – as defined in Annex 1 to Planning Policy for Traveller Sites – should be assessed separately, in line with the policy in that document.*

³⁷ *Unless these strategic policies have been reviewed and found not to require updating.*

³⁸ *For the purposes of paragraphs 73b and 74 a plan adopted between 1 May and 31 October will be considered ‘recently adopted’ until 31 October of the following year; and a plan adopted between 1 November and 30 April will be considered recently adopted until 31 October in the same year.*

³⁹ *From November 2018, this will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement.”*

- 3.6. The Glossary of the NPPF defines what it considers to be a deliverable housing site for the purposes of establishing a housing land supply.

“Deliverable: To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. Sites that are not major development, and sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (e.g. they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans). Sites with outline planning permission, permission in principle, allocated in the development plan or identified on a brownfield register should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years”

National Planning Practice Guidance

- 3.7. The “Housing and economic land availability assessment” section of the planning practice guidance is the most relevant guidance relating to housing supply. The first section of that guidance discusses how to prepare a Strategic Housing and Economic Land Availability Assessment (SHELAA). The second section of the guidance, “Housing delivery: 5 year land supply” is directly relevant to assessing the supply of housing in our Local Plan.
- 3.8. Paragraph 049 confirms that a local planning authority must demonstrate a five year land supply as part of the Local Plan examination¹⁹.
- 3.9. The guidance explains that a five year land supply is a supply of specific deliverable sites sufficient to provide 5 years’ worth of housing against the housing requirement of the strategic policies of the plan²⁰. The assessment will need to demonstrate robust, up to date evidence, and transparently set out judgments on the deliverability of housing sites in the plan. In doing so, the Council may consider involving people with an interest in delivery in assessing the deliverability of the sites, and may also develop benchmarks and assumptions based on evidence of past trends for development lead in times and build out rates²¹.
- 3.10. In some circumstances, the guidance states that it may be appropriate to include a stepped housing trajectory for the plan. Such a requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and/or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. Strategic policy-makers will need to set out evidence to support using stepped requirement figures, and not seek to unnecessarily delay meeting identified development needs²².
- 3.11. The guidance also provides further explanation of the definition of a deliverable housing site. For sites with outline planning permission, permission in principle, allocated in a development

¹⁹ Paragraph: 049 Reference ID: 3-049-20180913

²⁰ Paragraph: 028 Reference ID: 3-028-20180913

²¹ Paragraph: 030 Reference ID: 3-030-20180913

²² Paragraph: 034 Reference ID: 3-034-20180913

plan or identified on a brownfield register, where clear evidence is required to demonstrate that housing completions will begin on site within 5 years, this evidence may include:

- any progress being made towards the submission of an application;
- any progress with site assessment work; and
- any relevant information about site viability, ownership constraints or infrastructure provision.²³

- 3.12. When assessing the land supply, the guidance states that plan makers should consider any previous shortfall in housing supply against the requirement. They may consider what has led to this, and what measures the authority can take to counter the trend²⁴. The level of deficit or shortfall will need to be calculated from the base date of the plan and should be added to the plan requirements for the next 5 year period.
- 3.13. During the examination of the local plan, it will be necessary to demonstrate a five year land supply. In order to ensure that the 5 year land supply is sufficiently flexible and robust to be demonstrated once in a given year, a minimum 10% buffer should be added to the housing requirement to account for fluctuations in the market over the year. Where the Housing Delivery Test indicates that delivery has fallen below 85% of the requirement, a 20% buffer should be added instead.

Developing the Policy

Written Ministerial Statement: Housing land supply in Oxfordshire – Ministry of Housing, Communities and Local Government (September 2018)

- 3.14. Under the Oxfordshire Growth Deal (see Section 2 above), the Secretary of State for Housing, Communities, and Local Government issues a ministerial statement in September 2018. The statement relates to housing land supply in Oxfordshire, introducing a new three year land supply test while the authorities are preparing a Joint Statutory Spatial Plan. The three year test is expected to last until March 2021 when the joint plan is adopted.
- 3.15. This three year test does not apply for the purposes of plan making, and the Council will still need to demonstrate a five year supply upon the adoption of the South Oxfordshire Local Plan 2034.

Independent Review of Build Out – Sir Oliver Letwin MP (October 2018)

- 3.16. This report was commissioned by the Chancellor of the Exchequer in Autumn 2017. It focussed on the issue of the build out rate of fully permitted new homes on the largest sites in areas of high housing demand. Its main audience is central government and it proposes changes to legislation, regulation, and policy at a national level, so many of its

²³ Paragraph: 037 Reference ID: 3-037-20180913

²⁴

recommendations are not directly relevant to this local plan. However, its findings are still important to the issue of delivery and land supply.

- 3.17. Through his assessment of large sites, he concludes that the median percentage of the site built out each year on average through was 6.5%. Large sites will almost always deliver a higher absolute number of homes per year than sites with only a few hundred homes in total; but the proportion of the site built out each year is likely to be small.
- 3.18. He also criticised the homogeneity of the types and tenures of the homes on offer on such large sites, and the limits on the rate at which the market will absorb such homogenous products. He believes these are the fundamental drivers of the slow rate of build out.
- 3.19. However, he also concludes that we cannot rely solely on small individual sites. We will continue to need more new housing both on smaller sites and on large sites.
- 3.20. Finally, he concludes that if either the major house builders themselves, or others, were to offer much more housing of varying types, designs and tenures including a high proportion of affordable housing, and if more distinctive settings, landscapes and streetscapes were provided on the large sites, and if the resulting variety matched appropriately the differing desires and financial capacities of the people wanting to live in each particular area of high housing demand, then the overall absorption rates – and hence the overall build out rates – could be substantially accelerated.

Start to finish: How quickly do large-scale housing sites deliver? Nathaniel Lichfield & Partners (November 2016)

- 3.21. This paper assessed the lead in times and build out rate of large scale housing sites across the country. It provides a useful guide from a large sample of 70 sites as to what we could expect in terms of housing delivery from the local plan.
- 3.22. We have derived the following information from the Lichfield Report:

Table 3.1: Lead in times and delivery rates			
Site size (dwellings)	Planning approval period (rounding to the nearest year)	Lead in time from grant of detailed permission to first completion	Average number of units delivered per year
<100	1 year	2 years	27
100 to 499	2 years	2 years	60
500 to 999	4 years	2 years	65
1,000 to 1,499	5 years	1 years	105
1,500 to 1,999	5 years	2 years	135
>2,000	6 years	1 years	160

South Oxfordshire assessment of reserved matters consent

- 3.23. The Lichfield Report does not contain any separate assumptions for the time it takes to secure a reserved matters permission. Table 3.1 therefore assumes that the planning approval period includes the time it takes to secure a detailed planning consent. However, there are components of our housing land supply that benefit from an outline permission, yet still need detailed consent.
- 3.24. We have set out an assessment of sites in our land supply that moved from outline consent to detailed permission. This is summarised on table 3.2 below:

Table 3.2: Reserved matters permission time		
Average time between outline permission and submission of reserved matters (weeks)	Average determination period for reserved matters application (weeks)	Average time between outline consent and detailed consent (weeks)
47	25	72

South Oxfordshire assessment of windfall

- 3.25. We have assessed the delivery of housing on small sites (those less than 10 homes) on table 3.3. The vast majority of these sites will be “windfall” development, i.e. new homes in locations not explicitly allocated in the development plan. This is therefore a useful indicator of the amount of homes we expect to come forward through windfall development.

Table 3.3: Completions on small sites									
Year	11/12	12/13	13/14	14/15	15/16	16/17	17/18	Total	Avg
Completions	130	108	77	92	245	174	191	1,017	145

Statements of common ground

- 3.26. We will engage with the site promoters of sites that form part of our land supply, and will ask them to sign a statement of common ground on the deliverability of their site as directed by National Policies and Guidance.

Developing the policy

- 3.27. Although not reflected in any one policy, Appendix 8 of the Local Plan contains the development trajectory for the Local Plan. It is based on a number of assumptions about start dates, lead in times, and delivery rates for the supply components of the plan in Chapters 4 and 5 (the “STRAT” and “H” policies). This is essential in establishing whether the Council can demonstrate a five year housing land supply and therefore warrants investigation in this topic paper.

Supply component one: Existing completions and commitments

- 3.28. Since 1 April 2011 there have been 15,726 completions and commitments in South Oxfordshire. This is made up from the following sources of supply:

Homes built between 1 April 2011 and 31 March 2018	4,364
Homes with planning permission or an allocation as of 30 September 2018	11,362

Supply component two: proposed strategic allocations in the Local Plan

- 3.29. The Local Plan proposes seven strategic allocations, totalling 14,400 homes. However, we anticipate that only 10,375 of these homes will come forward during the plan period (before 2034). The site selection background paper has a breakdown of the trajectories of each the sites.

Supply component three: neighbourhood plan allocations in the market towns

- 3.30. The plan’s strategy expects a total of 3,873 homes to be built in our market towns between 2011 and 2034. This is based on each of the market towns delivering their growth commitments under the Core Strategy, plus an additional 15% growth from the 2011

4. Policy H9: Affordable Housing

Policy description

- 4.1. Policy H9 sets out the affordable housing requirements for new developments. For all major developments (10 or more homes), the policy requires housing sites to deliver 40% affordable housing on site. For sites in the Areas of Outstanding Natural Beauty, proposals for 5 or more homes will provide a financial contribution equivalent to 40% affordable housing provision, but for sites of 10 more, this would be provided on site. For proposals on the edge of Oxford, the affordable housing contributions would be 50%.

National Planning Policy Framework (NPPF, 2018)

- 4.2. Paragraph 61 of the Framework directs plan makers to assess the needs for affordable housing, and to reflect these needs in the policies of the Local Plan. Paragraph 62 goes on to state that where there is a need for affordable housing, the policies should specify the type of affordable housing, with a presumption that these affordable properties will be provided as part of other development sites.
- 4.3. Paragraph 63 states that affordable housing should only be sought on major development sites (sites for 10 or more homes), although plan makers can set a lower threshold in designated rural areas – in South Oxfordshire, these are the two Areas of Outstanding Natural Beauty.
- 4.4. Paragraph 64 goes on to state that planning policies should expect at least 10% of homes on major development proposals to be made available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.
- 4.5. Paragraph 77 states that in rural areas, policies should be responsive to local circumstances and support housing developments that reflect local needs. Local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs and consider whether allowing some market housing on these sites would help to facilitate this.

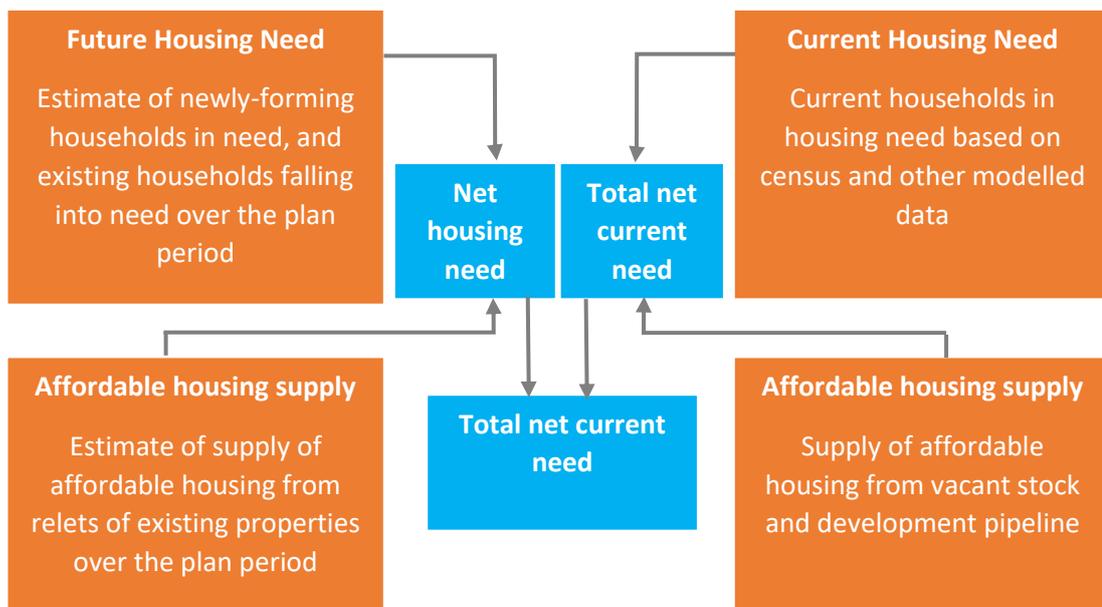
Planning Practice Guidance

- 4.6. The Planning Practice Guidance states that plan makers will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market (Paragraph 2a-022-20180913)
- 4.7. Policy makers should then identify the existing affordable housing stock that exists in the plan area. (Paragraph 2a-026-20180913).

4.8. Once the total gross need and existing stock is identified, the difference between these two figures should be converted into an annual affordable housing need figure. The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, considering the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes. (Paragraph 2a-027-20180913)

Oxfordshire Strategic Housing Market Assessment (SHMA)(2014)

4.9. The Oxfordshire SHMA provides a detailed assessment of housing need, including affordable housing. The SHMA predates the updated planning practice guidance on affordable housing as referenced above, however its methodology is consistent with it. Figure 55 of the SHMA explains the methodology:



Source: Figure 55, Oxfordshire SHMA (2014), Page 104

4.10. The SHMA identified an annual need for affordable housing in South Oxfordshire of 965 homes a year. It recognises that there is a significant need for new affordable housing in Oxfordshire, and the SHMA therefore concludes that seeking the maximum viable level of affordable housing in planning policies is an appropriate response (Oxfordshire SHMA, Paragraph 6.79).

- 4.11. However, the SHMA does caveat the assessment of affordable housing need as follows:
- a. in practice there are likely to be households who are adequately housed whilst paying more than the 35% of income threshold used in the SHMA, particularly in a relatively affluent area such as Oxfordshire.
 - b. it is important that the role played by the private rented sector is recognised, particularly insofar as it provides adequate and affordable housing when supported by the local housing authority. In this regard, the SHMA shows that in Oxfordshire the private rented sector makes a potentially significant contribution to meeting affordable housing needs with an estimated 1,416 lettings per annum in sector to claimants supported by the local housing authority.

Paragraphs 6.80-6.81, Oxfordshire SHMA

- 4.12. In terms of the housing mix of affordable housing tenure, the SHMA recommends a County-wide mix target of 25% intermediate, and 75% rent would be appropriate. In need terms, the rent composition is slightly skewed towards social rent; however, the deliverability of this in the context of national affordable housing policy and funding availability should be considered (Oxfordshire SHMA, Paragraph 6.84)
- 4.13. The affordable housing needs analysis in the SHMA provides evidence of considerable housing need which would support a policy that requires up to 100% of sites to be affordable housing, although the viability of providing this will limit the amount that can be delivered. (Oxfordshire SHMA, Paragraph 7.13)

Housing Delivery Strategy for South Oxfordshire and Vale of White Horse

(Background Paper 4: A profile of the South and Vale Housing Market, Needs, and Opportunities)

- 4.14. The Housing Delivery Strategy has identified a shortage of rental properties, both affordable and private rented, in South Oxfordshire. This is a tenure type that younger households and those on lower incomes often rely on for housing, and has an impact on these households moving to, or working in the area, with consequential impacts for some businesses' ability to recruit employees (Housing Delivery Strategy, Paper 4, Paragraph 4.3).
- 4.15. In recent years, owing to a lack of housing land supply in South Oxfordshire, the report notes that some registered providers have faced challenges in letting stock from new properties developed in rural locations (Paragraph 4.13).
- 4.16. The report recommends that the Council could consider increasing the requirement of affordable rental properties on new development sites in areas of high demand (such as Henley and Wallingford), while prioritising other forms of affordable housing in areas where there appears to be lower demand for such properties, and increasing the amount of low cost home ownership properties (Paragraph 4.18).

- 4.17. The report does conclude however that low cost home ownership could be extended at the expense of rented affordable properties if:
- a. Low cost home ownership products can be effectively targeted at households currently living in social/affordable rented homes, thus freeing up these units for households in need. This would need the Councils and RPs to work closely with households who may be able to ‘move up’ to low cost home ownership.
 - b. It can be justified in particular locations where affordable rented homes might not be suitable e.g. in small villages which pose difficulties for RPs to provide a management service.

Paragraph 4.33

South Oxfordshire Local Plan Viability Assessment

- 4.18. The report tests applying a 40% affordable housing requirement on all sites of ten or more homes, with a higher 50% requirement on sites on the edge of Oxford. It concluded that such a contribution toward affordable housing would not render the development unviable. (Paragraph 5.41)

Developing the policy

- 4.19. The need for affordable housing in South Oxfordshire is extensive. Both the Oxfordshire SHMA and the Council’s housing delivery strategy contain evidence that support policies requiring significant percentages of housing sites to be provided as affordable housing.
- 4.20. The SHMA based its affordable housing need on assumed continuation of the previous planning policies of sites providing 40% affordable housing in South Oxfordshire, and therefore lends support to the proposed continuation of this approach, since the overall number of homes needed is partially driven by the assumption of 40% affordable housing.
- 4.21. The tenure split within this affordable housing mix of 25% intermediate, 40% affordable rented, and 35% social rented is also reflective of the housing delivery strategy and the pressing need for affordable rented properties in South Oxfordshire. The roughly equal split between the social and affordable rented properties is also supported by the SHMA (Paragraph 5.12).
- 4.22. The Council’s approach to affordable housing contributions in the AONB is supported by the revised NPPF and has been viability tested.
- 4.23. The Council’s approach to requiring 50% affordable housing on the edge of Oxford City responds to the likelihood that homes developed in this location will have a very strong relationship to, and will be heavily influenced by, Oxford’s housing market.

4.24. The only major housing sites that are likely to receive planning permission on the edge of Oxford are those allocated in this plan. Other sites are protected by Green Belt, and the likelihood of these receiving planning permission for speculative development is low. Hence, the sites that will be affected by this limb of policy H9 are those that are allocated in this plan with the intention of support Oxford's commitments under the Housing and Growth Deal. Because these homes are needed directly to support Oxford, it is appropriate that they deliver a level of affordable housing consistent with the City.

5. STRAT5: Residential densities

- 5.1. The policy introduces new density standards for major developments (10 or more homes). For sites on the edge of major centres and sustainable transport hubs, the policy expects 70 dwellings per hectare net. For market towns, it sets it at 50 dwellings per hectare; larger villages at 45 dwellings per hectare; smaller villages at 40 dwellings per hectare, and all other locations at 35 dwellings per hectare.

National Planning Policy Framework

- 5.2. Paragraphs 122 and 123 of the NPPF direct that planning policies should support development that makes efficient use of land and requires plans to set minimum residential density standards in certain locations.
- 5.3. Paragraph 122 sets out that these policies should take account of the need for different types of homes and the availability of land for accommodating the need; market conditions and viability; the capacity of infrastructure; the scope to promote sustainable travel modes; the desirability of maintaining the prevailing character; the promotion of regeneration and change; and the importance of securing well-designed, attractive, and healthy places.
- 5.4. Paragraph 123 then goes on to state that where there is a shortfall in land supply to meet housing demand, then it is especially important that policies are put in place to avoid low-density development. In such circumstances:
- plans should contain policies to optimise the use of land in their area. Plans should include minimum density standards for city and town centres and other locations that are well served by public transport. These standards should seek a significant uplift in the average density of residential development within these areas, unless it can be shown that there are strong reasons why this would be inappropriate; and
 - the use of minimum density standards should also be considered for other parts of the plan area. It may be appropriate to set out a range of densities that reflect the accessibility and potential of different areas, rather than one broad density range.

National Planning Practice Guidance

- 5.5. The NPPG does not contain relevant guidance for densities.

Developing the policy

5.6. There are no nationally prescribed density thresholds. Each authority that wishes to implement a density policy must therefore research an appropriate density. Paragraph 122 of the NPPF states that the final policy must be informed by:

- the need for different types of homes and the availability of land for accommodating the need;
- market conditions and viability;
- the capacity of infrastructure;
- the scope to promote sustainable travel modes;
- the desirability of maintaining the prevailing character;
- the promotion of regeneration and change;
- and the importance of securing well-designed, attractive, and healthy places

5.7. Our evidence responds to each of these points in turn. We have undertaken an assessment of several higher density areas across South Oxfordshire; both rural and urban. These are set out in Appendix Two. These assessments split the district into one-hectare grids and overlaid these over ONS base maps. These ONS maps contain a myriad of embedded data, including an exact dwelling count. It has allowed us to identify the number of homes within these one hectare grids, which includes flats and apartments. These assessments consider how these densities have affected typology and urban design, internal space standards, and private amenity space. They provide a reference point of actual achieved higher densities in South Oxfordshire that we reference in this assessment.

The need for different types of homes

5.8. The Council's most recent assessment of housing need is the Oxfordshire Strategic Housing Market Assessment. It sets out an estimated housing mix for South Oxfordshire as follows:

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	5.7%	26.7%	43.4%	24.2%
Affordable	32.6%	35.5%	29.3%	2.7%

5.9. Our policies expect that 40% of homes would be affordable homes, and 60% would be market homes. We have therefore weighted these percentages to give an overall breakdown of the need for home sizes in the local plan, as density won't discriminate between market and affordable housing.

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Overall mix	16.5%	30.2%	37.8%	15.6%

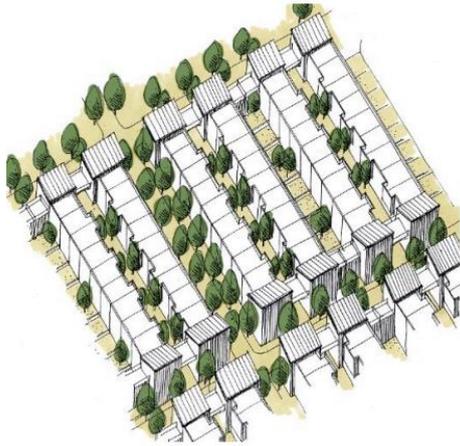
- 5.10. We have therefore tested the density policy’s ability to achieve this mix of housing. Firstly, we examined local examples of higher density areas in South Oxfordshire (Appendix One). All the proposals included a mix of house sizes, ranging from one-bedroom bedsits and flats, up to 4-bedroom properties. We don’t have the housing mix available for all the proposals and the evidence we have on housing mix does not always align with the one hectare squares we have identified. However, taken collectively, the evidence demonstrates that we have achieved higher density residential developments that do not prohibit the delivery of larger and family homes. If the developments of up to 80 dwellings per hectare (net) can accommodate this mix, then all the density thresholds in the policy would be capable of achieving an appropriate mix.
- 5.11. In addition to these local examples we have also examined hypothetical examples prepared by architects to demonstrate higher densities. These are shown below along with a description of the housing mix they have achieved:



77 dwellings per hectare

This development, according to the designer, would achieve 90% three-bedroom houses, dispelling any concerns that higher density precludes larger units. It provides 100% off street parking, and has a maximum height of three storeys.

Source: MJP Architects



87 dwellings per hectare

This development, according to the designer, would achieve 69% three-bedroom houses, with 31% 3 bedroom maisonettes. It provides 100% off street parking, and has a maximum height of three storeys.

Source: MJP Architects

- 5.12. Taken collectively, the evidence shows that even at densities higher than our proposed maximum threshold of 70 dwellings per hectare, development can still deliver a substantial amount of three and four-bedroom homes, even where these are traditional houses, as opposed to flats and maisonettes. The proposed density policy is therefore appropriate for delivering the mix of homes needed in South Oxfordshire.