

# **EXAMINATION INTO THE SOUNDNESS OF THE SOUTH OXFORDSHIRE LOCAL PLAN 2011 – 2034: INSPECTOR'S MATTERS AND ISSUES**

## **MATTER 1:**

### **IS THE HOUSING REQUIREMENT SOUNDLY BASED?**

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1. **MATTER 1 : Is the housing requirement soundly based?**

**a. The figure of 775 dpa comes from the Oxfordshire SHMA 2014; the local housing need (LHN) figure derived from the standard method is 627 dpa. Have appropriate factors been applied to reach the housing requirement figure?**

- 1.a.1 Christ Church and Dorchester Residential Management consider that the figure of 775 dwellings per annum to meet the housing needs of South Oxfordshire District Council is the appropriate figure. The Oxfordshire authorities signed the Oxfordshire Growth Deal in March 2018 which was predicated on the delivery of 100,000 dwellings in the period to 2031 based on the 2014 SHMA.
- 1.a.2 The SHMA responded to and is compliant with the requirements of both the National Planning Policy Framework (the NPPF) of April 2012 and Planning Practice Guidance on Housing and Economic Development Needs Assessments issued by Government in March 2014. It also accords with the current NPPF and NPPG as outlined below.
- 1.a.3 The SHMA concluded that across Oxfordshire, there is an identified need for provision of between 4,678 – 5,328 homes a year over the 2011-31 period. This level of housing provision is necessary to support committed economic growth; to support delivery of affordable housing; and to support an improvement in the affordability of housing over time. The figures for individual local authorities are set out in Table 90 of the SHMA. All the district plans have been prepared on the basis of the SHMA.
- 1.a.4 Through the Deal, Oxfordshire commits to:
- **“The submission and adoption, subject to the inspection process, of a joint statutory spatial plan covering all five district councils in Oxfordshire, by 2021**
  - **Plan for and support the delivery of 100,000 new homes between 2011 and 2031 – backed up with a credible plan for delivery, outlining interim milestones and targets as agreed with the HCA and Government.”**
- 1.a.5 Through the deal, Government commits to:
- **“Provide Oxfordshire with up to £215m funding**
  - **Explore options to grant Oxfordshire certain time-limited planning flexibilities, subject to consultation where appropriate.”**

- 1.a.6 The need to deliver 100,000 dwellings is also set out in the Oxfordshire Written Ministerial Statement and in the 2017 Budget both of which form statements of Government Policy which are material in the preparation of plans according to paragraph 6 of the NPPF.
- 1.a.7 For the purpose of Plan Making, the PPG Housing and Economic Needs Assessment para 010 reference ID 2a-010-20190220 provides guidance when it may be appropriate to plan for a higher figure than the Standard Method.
- 1.a.8 The guidance identifies that
- “there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates”.**
- 1.a.9 Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:
- **growth strategies for the area that are likely to be deliverable;**
  - **strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or**
  - **an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.**
- 1.a.10 This section of the NPPG also indicates that LPAs should also take into account SHMAs that suggest a significantly greater level of need than the outcome from the standard method and plan for a higher number than the Standard Method suggests. The SHMA also underlines the Growth Deal for Oxfordshire. The Growth Deal is recognised as an important step towards realising the housing growth potential of this part of the Cambridge-Milton Keynes-Oxford Arc. It acknowledges that Oxfordshire has a major role to play in delivering on the Government’s ambitions for the area, and beyond.
- 1.a.11 The guidance states that if an alternative approach results in a need higher than the Standard Method, the approach can be considered to be sound.
- 1.a.12 Whilst the housing figure is higher than that derived from the standard method (using the 2014 household projections) i.e. 627 dwellings per annum, it is

clear from the PPG that there is a justification for the use of a higher housing figure.

- 1.a.13 In our Reg 19 representations we considered that amendments needed to be made to paragraph 4.16 of the Submitted Plan to reflect the correct figure based on the standard method i.e. 627 dwellings per annum as opposed to 556 dwellings per annum (the latter is based on the 2016 household projections which are not advocated by Government). It is noted that the Housing Topic Paper (TOP01) refers to 627 dwellings per annum.
- 1.a.14 The Council's approach to meeting the housing needs and requirement is supported, but it is considered that the text from paragraph 4.15 onwards needs to reflect more positively the position from 627 dwellings per annum as a result of the standard method, and the reason for the uplift to 775 dwellings derived from the SHMA which underpins the Growth Deal. Paragraph 4.24 is supported, but it is considered that the figure of 627 dwellings based on the 2014 household projections should be included rather than the figure of 556 dwellings per annum based on the 2016 household projections. The 2014 projections are consistent with the NPPG.

**b. What are the implications of extending the plan period as proposed?**

- 1.b.1 The NPPF and the NPPG are clear that the strategic policies should be prepared over a minimum 15 year period and a local planning authority should be planning for the full plan period. Paragraph 22 of the NPPF states that strategic policies should look ahead over a minimum of 15 year period from adoption. Consequently as the Local Plan is expected to be adopted towards the end of 2020, it is appropriate to extend the plan period to 2035.
- 1.b.2 An additional year's housing requirement (775) has been added to extend the plan period to 2035, making a new total housing requirement of 18,600, or 23,550 including unmet needs for Oxford.
- 1.b.3 It is noted that whilst the annualised housing needs for South Oxfordshire have been rolled forward from 2031 -2035 to cover the extended plan period, the needs for Oxford City have not, as these will be addressed in the Joint Spatial Plan which according to the latest timetable (discussed at the

Oxfordshire Growth Board on 2<sup>nd</sup> June 2020) is to be adopted by October 2022.

- 1.b.4 However, as can be seen from an examination of the housing trajectory for the strategic sites in PSD24, whilst the Local Plan sets a requirement to address the unmet needs of Oxford City in the period to 2031, the plan presently plans not to meet within the period to 2031. There is in fact a shortfall based on the current trajectory because a significant proportion of the need is being planned to be met beyond 2031 in the period up to 2035. (This will be addressed in further detail in Matter 2).

**c. Is there an appropriate component within the stated housing requirement for meeting the unmet needs arising from Oxford City, having regard to the findings of the Inspector's report into the submitted Oxford City Local Plan? What should that figure be?**

- 1.c.1 The unmet needs of Oxford City are derived from the consideration of the Oxfordshire SHMA 2014.

- 1.c.2 In accordance with the Memorandum, South Oxfordshire proposes to accommodate 4,950 dwellings in the period 2021 – 2031 (Policy STRAT 2).

- 1.c.3 Paragraph 3.10 of the Oxford Local Plan states that:

**"In 2016 the Oxfordshire Growth Board confirmed that Oxford was unable to meet its proportion of the SHMA figures due to the constrained nature of Oxford. For Oxford the OAN in the 2014 SHMA is a range of between 24,000 to 32,000 additional new homes required for the period 2011 to 2031 (or 1200 to 1600 per year). The approach taken by the Oxfordshire Growth Board was that the mid-point of this range should be taken as the starting point for assessing the level of need and unmet need (i.e. 28,000). Based upon extensive evidence, the Oxfordshire Growth Board agreed an apportionment of homes to be provided within each of the districts. The agreement was signed by all but one of the district councils. The assumed capacity for Oxford was 10,000 dwellings."** (South Oxfordshire did not sign the Memorandum in September 2016).

- 1.c.4 The Memorandum that was agreed between the Oxfordshire authorities in September 2016, set out a figure for each authority to plan for, based on an unmet need of 15,000 dwellings from Oxford City (paragraph 3.3 of DUC01). The apportionment agreed by the five Councils totalled 14,850 dwellings. The

Memorandum identified that 550 of these could be provided in Oxford City, which leaves a shortfall of 14,300 to be met in the surrounding Districts. It also included an agreement that the delivery of these homes would be monitored as part of the housing land supply calculations from April 2021.

- 1.c.5 Oxford City in preparing their plan to 2036 commissioned a roll forward of the SHMA in order to understand housing need to 2036. The SHMA roll-forward used the same methodology as the previous SHMA, but used the most up-to-date household forecasts and has re-calculated the implications of economic growth. Paragraph 3.7 of the Oxford City Plan states that:

**"The 2018 SHMA roll-forward to 2036 found that, in order to meet Oxford's affordable housing need in full, based on a policy of 50% delivery of affordable housing, 1,356 dwellings per annum would be required. ...The Oxfordshire Housing and Growth Deal with Government, signed by all of the local authorities in Oxfordshire in February 2018, commits the Oxfordshire authorities to work together to deliver 100,000 homes in the 20 year period to 2031. The assumption built in to this overall figure was that 1,400 dwellings per annum were identified as required in Oxford to 2031. Therefore, the housing target remains as it was in the 2014 SHMA, namely 1,400 per annum."**

- 1.c.6 At the recent Local Plan Examination for Oxford City, it was acknowledged that there are significant constraints and limitations and that only 10,884 dwellings could be accommodated in Oxford in the period 2016-2036.
- 1.c.7 South Oxfordshire District Council's response to IC1, in response to question 7, acknowledges that there is a shortfall in meeting the 100,000 dwellings in the period 2011 – 2031. It identifies that there is a residual requirement for 24,090 homes in the period 2011-31 to provide for the 100,000 homes required by the Growth Deal across Oxfordshire. As the South Oxfordshire Local Plan proposes a requirement for 20,450 during this period, this would equate to a shortfall of 3,640 homes compared to that required by the Growth Deal.
- 1.c.8 This shortfall of 3,640 homes is calculated from Table 7 in IC1 which assumed that there would be a housing requirement for 10,000 homes in Oxford City in the period 2011-31. However, the Oxford City Local Plan has been adopted since the District Council prepared IC1 with a housing requirement for 475 homes per annum from 2016-21 and 567 homes per annum from 2021-36. In the period 2016-31, the adopted Oxford City Local Plan therefore provides for

a housing requirement of 8,045 homes  $(=(475 \times 5) + (567 \times 10))$ . In addition, there were 1,428 housing completions in the period 2011-16. Accordingly, the Oxford City Local Plan provides a housing requirement for only 9,473 homes rather than the 10,000 assumed by the District Council in IC1. As a result, the shortfall is actually greater than the 3,640 which arises from IC1.

- 1.c.9 Table 1 below shows that there is actually a shortfall of 4,187 dwellings against the 100,000 dwellings for Oxfordshire required by the Growth Deal. It also illustrates that this shortfall is entirely attributable to the unmet needs of Oxford City. This shortfall underlines the crucial importance of meeting the apportionment of Oxford City's unmet needs in the period to 2031.

Table 1: Housing Needs compared to the Housing Requirements

	Agreed distribution to meet housing need 2011-2031			Housing requirements 2011-2031			Surplus/shortfall		
	To meet own needs <sup>1</sup>	To meet Oxford City's unmet needs <sup>2</sup>	Total	To meet own needs <sup>3</sup>	To meet Oxford City's unmet needs <sup>4</sup>	Total	To meet own needs	To meet Oxford City's unmet needs	Total
Cherwell	22,800	4,400	27,200	22,840	4,400	27,240	40	0	40
Oxford City	13,150 <sup>5</sup>	550	13,700	9,473 <sup>6</sup>	0	9,473	-3,677	-550	-4,227
South Oxfordshire	15,500	4,950	20,450	15,500 <sup>7</sup>	4,950	20,450	0	0	0
Vale of White Horse	20,560	2,200	22,760	20,560	2,200	22,760	0	0	0
West Oxfordshire	13,200	2,750	15,950	13,200	2,750	15,950	0	0	0
<b>TOTAL</b>	<b>85,210</b>	<b>14,850</b>	<b>100,060</b>	<b>81,573</b>	<b>14,300</b>	<b>95,873</b>	<b>-3,637</b>	<b>-550</b>	<b>-4,187</b>

Table 1 above illustrates that Oxford City has a significantly greater unmet need than identified in the Memorandum and that as such the housing

<sup>1</sup> Taken from the table following paragraph 3.3 of SCG01 unless otherwise stated.

<sup>2</sup> Taken from the table following paragraph 3.11 of SCG01.

<sup>3</sup> Taken from the adopted/emerging Local Plans unless otherwise stated.

<sup>4</sup> Taken from the adopted/emerging Local Plans.

<sup>5</sup> Calculated from the need for 28,000 homes in Oxford City identified in the table following paragraph 3.3 of SCG01 with the 14,850 homes agreed to be met elsewhere as identified in the table following paragraph 3.11 of SCG01 removed.

<sup>6</sup> Calculated from the 1,428 completions in the period 2011-16 in addition to the stepped housing requirement in Oxford City for 8,045 homes in the period 2016-31.

<sup>7</sup> Calculated from the annualised requirement for 775 homes over the 20 years 2011-31.



requirements of the adopted and emerging Local Plans in the remainder of Oxfordshire, including the South Oxfordshire Local Plan, do not provide a sufficient level of housing to accommodate this. It is understood that this additional unmet need is intended to be addressed through the Oxfordshire Plan 2050, but this underlines the importance of identifying a sufficient number of allocations to at least address the unmet needs identified in the Memorandum within the current suite of Local Plans and within the timescale.

**d. Does the plan provide for sufficient affordable housing?**

- 1.d.1 Christ Church and DRM have not submitted representations on the amount of affordable housing envisaged to be provided in the Plan. However, the requirement for 50% affordable housing on sites adjacent to Oxford City is supported and the tenure proposed in the SODC Plan is also supported.

**e. To conclude, and leaving aside (for the moment) the stepped trajectory, what average annual figure should constitute the housing requirement, and what would that figure be over the plan period?**

- 1.e.1 It is considered that leaving aside the stepped trajectory to meet the unmet needs of Oxford City in the period 2021 – 2031; the Local Plan proposes a housing requirement of 23,550 homes over the period 2011-35, comprising 18,600 to meet the needs of South Oxfordshire from 2011-35 and 4,950 to address the unmet needs of Oxford City from 2021-31. The average annual requirement is therefore 981 per annum ( $=23,550/24$ ) although this varies considerably from 775 per annum from 2011-21 and from 2031-35 and 1,270 per annum in the period 2021-31. (The higher annual figure in 2021 -2031 reflecting the requirement to meet the proportion of the unmet needs of Oxford City.)
- 1.e.2 There is a need to make provision to meet the proportion of unmet needs arising from Oxford City in the period 2021-2031 as close to where the need is arising.