

**South Oxfordshire Local Plan
Publication Version**

**Housing need and supply
Topic Paper**

October 2017

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1. Objectively assessed housing need

- 1.1 The National Planning Policy Framework (NPPF) requires local authorities to identify objectively assessed needs (OAN) for housing. The planning practice guidance that accompanies the NPPF also provides the preferred methodology for identifying OAN.
- 1.2 The Oxfordshire Strategic Housing Market Assessment (SHMA)¹ published in April 2014 followed the national methodology and identifies overall housing need for each of the relevant authorities. The SHMA also recommends the 'next steps' to identify the most appropriate housing targets for each authority's local plan.
- 1.3 The SHMA covers the period 2011-2031. We anticipate that the adoption of the South Oxfordshire Local Plan will be towards the end of 2018 as set out in the published Local Development Scheme. Government guidance requires Local Plans to have a time span of 15 years from the point of adoption, so it is proposed that the annual requirement for housing is rolled on for the additional two years up to 2033.
- 1.4 **Planning for the right homes in the right places (Government consultation)**
The Government has recently consulted on a document which proposes to use a standardised approach to the calculation of housing need, amongst other issues. The council, together with other Oxfordshire authorities, will be responding to this consultation. Government suggests that they may make proposals to change the national guidance in Spring 2018. Until then, we will continue to use the existing numbers from the SHMA.

2. The housing market area

- 2.1 The first step in assessing housing need is to identify the relevant housing market area where need will be assessed. The SHMA considered house prices, migration and commuting flows to conclude that the county of Oxfordshire is an appropriate, and functional, housing market area.

3. Need projections

- 3.1 To predict future needs for housing an iterative assessment of projections is required. The SHMA presents analysis of demographic trends, past under delivery of housing, future job growth potential, and the affordability of housing to demonstrate what the need for housing up to 2031 is likely to be. This is presented in a concluding table shown below:

Housing needed per year (2011-31)	A Demographic Base + Shortfall	B To Support Committed Economic Growth	C Range: Housing Need per Year	D Range: Housing Need per Year	E Midpoint of Range
Cherwell	682	1142	1233	1090-1190	1140
Oxford	782	700	2058	1200-1600	1400
South Oxfordshire	552	749	965	725-825	775
Vale of White Horse	508	1028	683	1028	1028
West Oxfordshire	541	661	682	635-685	660
Oxfordshire	3064	4280	5624	4678-5328	5003

Oxfordshire SHMA (2014): Table 90, page 181.

¹ <http://www.southoxon.gov.uk/services-and-advice/planning-and-building/planning-policy/evidence-studies/strategic-housing-market->

- 3.2 Projections A, B and C consider the delivery of housing that would support specific scenarios: A is the ‘business as usual’ option presented as a baseline; B supports local and regional economic growth forecasts which support the strategic economic plan, and; C assumes that all the required affordable housing would be delivered as a percentage (in the case of SODC 40%) of overall development.
- 3.3 Projection C, however, is presented in the SHMA with a number of caveats. The caveats are focused on the reality that affordable housing need is transitory, and the ways it is defined through legislation changes as does the funding for its delivery. Affordable housing can be delivered without market housing as in the case of rural exception sites. Methods of delivering affordable housing could change too, with changes in the amount of private renting for example. Also, the delivery of market housing could provide opportunities for some in need to be able to enter the market and thus reduce the numbers on the housing register. The SHMA is clear that taken over a 20-year period projection C is likely to be an over estimate.
- 3.4 These caveats lead to the presentation of the ranges in projection D (where affordable need outstrips the need required by committed economic growth). The purpose of projection D is to provide for the consideration of an appropriate ‘uplift’ of the housing target in the local plan to deliver affordable housing instead of the stated “over-estimate” in projection C.
- 3.5 Projection E, the “mid-point” of the uplift range, is an untested or indicative figure. This is an interim number used before the emerging evidence is tested through the local plan examination. This is used when the housing supply figures in a local plan are deemed “out-of-date.” The mid-point for SODC has already been accepted as an appropriate housing target (before testing) at recent planning appeals.
- 3.6 Paragraph 9.60 of the SHMA concludes: *“For South Oxfordshire the evidence indicates a need for 750 dwellings per annum (2011-31) to support employment growth. The affordable housing evidence provides some basis for considering higher housing provision. Drawing the evidence together we consider that housing need would fall between 725 – 825 homes per annum.”*
- 3.7 The report recommends that the Objectively Assessed Need lies within the range of housing numbers set out in ‘D’.

4. The most appropriate point on the range

- 4.1 The SHMA, and emerging housing strategy, both point to an evidential lack of affordable housing (and market “housing that is affordable”) in the district. The NPPF requires that “every effort [is] made objectively to identify and then meet housing needs... of an area” (para. 17 Core Principles). The ‘considered’ range of projection D in the SHMA is our starting point for a housing target.
- 4.2 In order to understand where the most appropriate point on the range is for our plan we must consider three important pieces of evidence: The capacity for development in the district; our spatial strategy and the reasonable alternatives to it, and; an assessment of the deliverability of that spatial strategy and housing development more generally.
- 4.3 To be sure that we have assessed a range of reasonable alternatives to understand what our OAN is, we have tested each of the scenarios through our sustainability appraisal (September 2017). A summary of that appraisal is as follows:
- 4.4 **725 homes per annum**
Reason for rejection: Within the SHMA recommended range, this represents the lower end of the figures. Development at this level is a significant uplift beyond the

demographic base and the housing shortfall and would contribute towards meeting affordable housing needs and towards economic growth. However, it is substantially below the SHMA midpoint (775) which is considered necessary to meet the Objectively Assessed Housing Need for the range of scenarios considered

4.5 **750 homes per annum**

Reason for rejection: In South Oxfordshire, the evidence considers that the provision of 748 dwellings a year would support economic growth. (This has been rounded to 750 for the purposes of our previous Local Plan consultation and is referred to in this way). However, it is substantially below the SHMA midpoint (775) which is considered necessary to meet the Objectively Assessed Housing Need for the range of scenarios considered.

4.6 **775 homes per annum (the mid-point)**

Reason for selection: The 2014 SHMA considers the demographic, economic and affordable housing scenarios for each of the districts in Oxfordshire and then puts forward a midpoint of Objectively Assessed Need for each of the Oxfordshire authorities. In the case of South Oxfordshire this is 775 homes a year. The recommendations provide a range which represents +/- 50 homes either side of this midpoint.

4.7 However, whilst the SHMA forms an important part of the Local Plan evidence base, it does not set the Local Plan housing target. It is an 'unconstrained' assessment of housing need that takes no account of market capacity and deliverability, infrastructure, land availability or environmental constraints. It is the role of the Local Plan to determine an appropriate housing target having regard to the SHMA but also taking account of other relevant considerations. As such the critical aspect of delivery is one which needs to be balanced against the other factors in arriving at the OAN.

4.8 It should be noted that the supply figure proposed within the emerging Local Plan far exceeds the need figure, to allow for flexibility and choice, but also to ensure that delivery can be managed across the plan period. In South Oxfordshire, the evidence considers that the provision of 775 dwellings a year would support economic growth and provide towards affordable housing need.

4.9 **825 homes per year**

Reason for rejection: Within the SHMA recommended range, this represents the higher end of the figures. Development at this level far exceeds the demographic base and housing shortfall and would contribute substantially towards meeting the affordable housing needs and towards economic growth. However, it is substantially above the SHMA midpoint (775) which is considered necessary to meet the Objectively Assessed Housing Need for the range of scenarios considered and could lead to oversupply, market distortion and unnecessary additional adverse environmental effects.

4.10 **965 homes per year**

Reason for rejection: This figure is not within the SHMA recommended range, but has been tested as the number of homes to meet all affordable housing needs, assuming 40% of all housing provided would be affordable housing. South Oxfordshire has issues of affordability. The affordable housing evidence provides some basis for considering higher housing provision.

4.11 However, development at this level far exceeds the demographic base and housing shortfall. As noted, it would contribute substantially towards meeting the affordable housing needs and towards economic growth. It is also substantially above the SHMA midpoint (775) which is considered necessary to meet the Objectively Assessed Housing Need for the range of scenarios considered and could lead to oversupply, market distortion and unnecessary additional adverse environmental effects.

5. Housing Need Arising in the Wider Housing Market Area

5.1 Through the analysis of the SHMA Oxford City identified that they will have difficulty in meeting their own identified housing needs and the city council have asked the other Oxfordshire authorities to assist in the provision of housing. South Oxfordshire District Council has worked closely with all the authorities in Oxfordshire under the Duty to Cooperate to identify the scale of unmet need and how Oxford's housing requirement should be distributed across the county.

5.2 The preparation of the Oxford City Local Plan is at a relatively early stage and adoption is not anticipated until 2019. At this point in time, it is not possible to accurately identify the precise extent of Oxford City's unmet need. The SHMA recommends a range of between 24,000 – 32,000 new homes for Oxford City. The unmet housing need for the City is estimated to be approximately 15,000 new homes.

5.3 A statement of common ground (September 2016) regarding the apportionment of the assumed unmet need was drawn up through the Growth Board. The apportionment in that statement is as follows:

Authority	Apportionment
Cherwell DC	4,400
Oxford City	550
South Oxfordshire DC	4,950
Vale of White Horse DC	2,200
West Oxfordshire DC	2,750
Total	14,850

5.4 South Oxfordshire District Council is not a signatory to this statement but we continue to work in good faith, assessing options that would help in meeting these unmet needs and have committed to partially reviewing the local plan as necessary when Oxford City's local plan is further advanced.

5.5 Through the sustainability appraisal, we have assessed four alternatives regarding Oxford City's unmet housing need.

- Option 1: Do Nothing;

The unmet housing need for the City is estimated to be approximately 15,000 new homes. The Sustainability Appraisal Process considers the 'do nothing' option can assist with decision making as it allows the baseline situation to be assessed.

- Option 2: 3,750 new dwellings;

The working figure for unmet housing need for the City is estimated at 15,000 new homes. This number represents a quarter share of the four districts.

- Option 3: 5,000 new dwellings; and

The Growth Board considered a series of site based options to help meet Oxford City's unmet housing need. In the case of South Oxfordshire these sites amounted to 4,950 homes. The figure has been rounded to 5,000.

- Option 4: 15,000 new dwellings.

The working figure for unmet housing need for the City is estimated at 15,000 new homes. This option assumes that all of that need would be met in South Oxfordshire District.

5.6 A summary of the sustainability appraisals conclusions for the four options is as follows:

5.7 **Do nothing**

This options was rejected because it is not compliant with the 'Duty to Cooperate'.

5.8 **3,750 dwellings**

This option was selected as the most appropriate figure to plan for at this point in time. Oxford cannot currently determine what their unmet housing need figure will be and will be unable to confirm this until such time as the Oxford City Local Plan has been examined. Given that South Oxfordshire is one of four other authorities in the Housing Market Area, it is appropriate to use a quarter of the total working figure until such time as a final figure can be arrived at.

5.9 **5,00 dwellings**

This option was rejected because it was not considered the figure had a sound basis. The Oxfordshire Growth Board had looked at sites around Oxfordshire which could accommodate Oxford City's unmet need, however the Growth Board has no remit to determine how or where each individual local authority chooses to meet unmet housing need. The figure of 4,950 relates specifically to sites which were identified through this work which could accommodate development, but ultimately were not those selected through the South Oxfordshire Local Plan process. The approach undertaken by the Oxfordshire Growth Board was not subject to public consultation or Sustainability Appraisal testing.

5.10 **15,000 dwellings**

This option was rejected because it represented the total working assumption for unmet housing need arising from Oxford City. Oxford City has asked all four neighbouring Oxfordshire authorities to help to meet their unmet housing need and it would be unreasonable to assume that one authority would meet this working figure in its entirety. Given that the other neighbouring authorities have committed to delivering a proportion of these 15,000 homes it is not a reasonable alternative.

6. Development capacity in South Oxfordshire

6.1 We have completed a Strategic Housing and Economic Land Availability Assessment (SHELAA)² that we are required to undertake by Government. This has demonstrated that we have capacity to deliver housing in South Oxfordshire across the plan period in all of the settlements in the first two tiers of hierarchy; the towns and larger villages. The SHELAA also demonstrates a range of site types and sizes are available.

6.2 We have assessed land availability with a 'policy off' stance (i.e. ignoring designations such as Green Belt and AONB) and then refined our assessment by overlaying these policies and our spatial strategy to ensure that the most appropriate sites are considered as suitable for development.

6.3 We have used the output of the SHELAA to inform our strategic site allocations but also the target housing numbers for the market towns and larger villages, where final site selection will be made through Neighbourhood Development Plans.

7. Our spatial strategy

7.1 Our spatial strategy is derived from the vision and objectives of the emerging plan, consultation with our communities and other key stakeholders (the statutory bodies such as the County Council and Environment Agency etc.) and our evidence including the sustainability appraisal.

² <http://www.southoxon.gov.uk/services-and-advice/planning-and-building/planning-policy/evidence-studies>

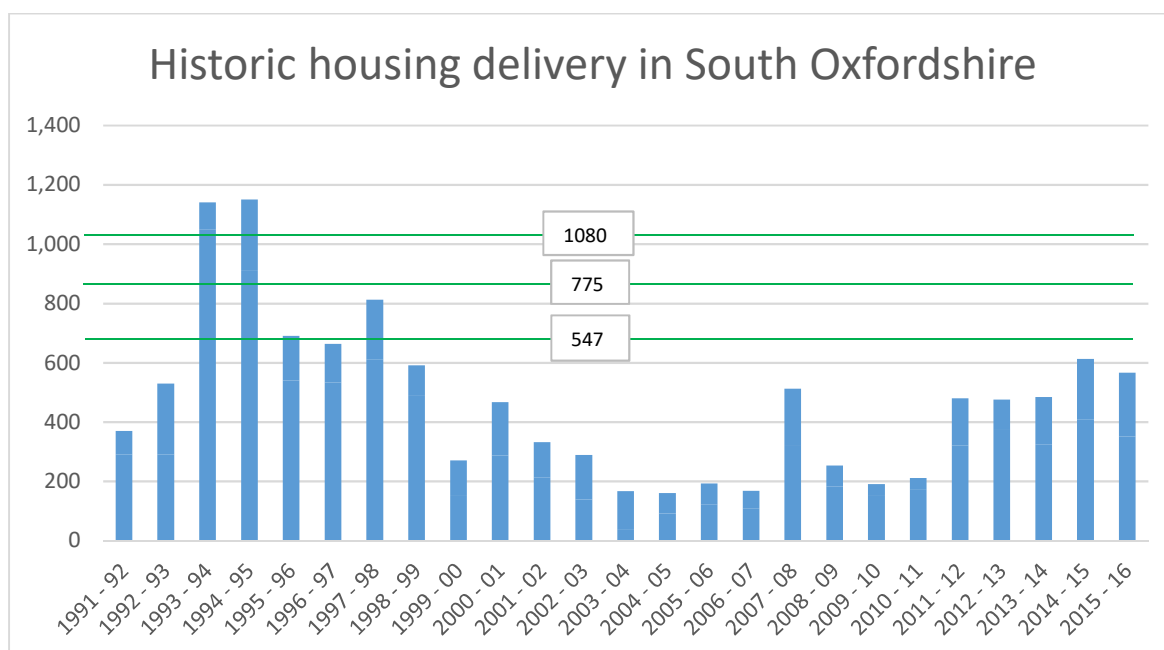
7.2 We have developed a strategy – from our vision and objectives – that supports appropriate and sustainable development across South Oxfordshire on a range of site types and scales.

8. The deliverability of development

8.1 Our final consideration is whether or not the development could be delivered over the plan period and be distributed to sustainable locations.

8.2 Historically the delivery of housing in South Oxfordshire has been inconsistent with a clear peak in the mid-1990s. The graph below shows the trends in delivery of all new homes, split into general market housing and affordable housing. The three green lines show the annual new homes target from the Core Strategy (547); the mid-point of the SHMA range (775) and the target including a contribution towards Oxford’s unmet need (1080).

8.3 It should be noted that the supply figure proposed within the emerging Local Plan far exceeds the need figure, to allow for flexibility and choice, but also to ensure that delivery can be managed across the plan period.



8.4 The SHMA analysis of market signals indicates strong house price growth through the late 1990s and early 2000s and this, in part, was facilitated by fewer homes being built during that time. The SHMA analysis also acknowledges that the delivery of affordable housing has not kept pace with need. There are a number of reasons for this inconsistent delivery both economic (the housing market) and strategic (the national and local policies in place for housing and planning). It will be a challenge for the development industry and the housing market to consistently meet high annual targets that they have not in the past so we will need to work collaboratively with them to identify solutions and plan positively for appropriate development in the district.

8.5 If we project the level of delivery, using previous local plan policies for affordable housing, forward we may not be able to fulfil the objective to meet the affordable needs of our existing and future communities. We need to allocate development for more homes to fulfil a 40% delivery of the overall number as affordable homes. Therefore, we propose an uplifted target from the baseline of 725 to 775 new homes per year. However, having a high target for market housing does not guarantee that the required percentage of affordable houses are built. This is partly why the SHMA does not

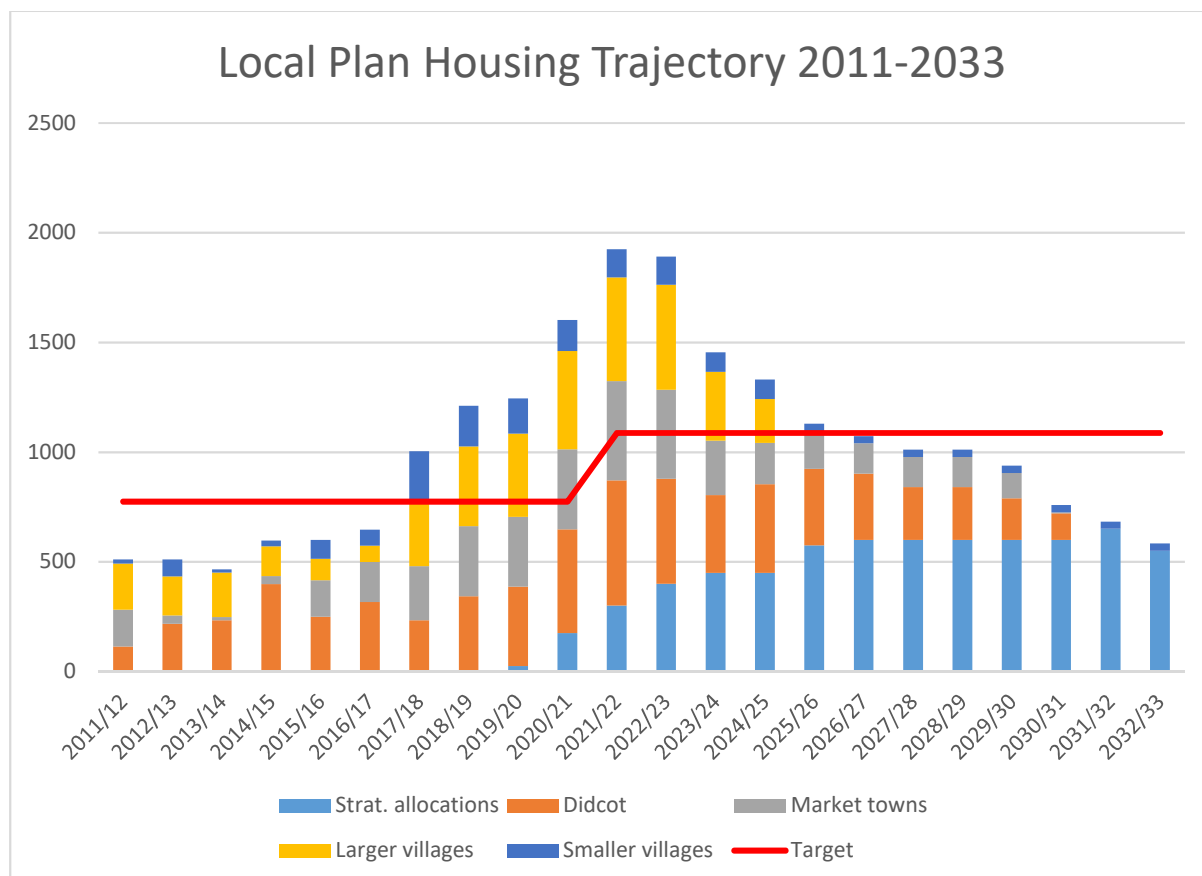
recommend the housing target of 965 (projection C) per year. We will also continue to pursue other delivery options for affordable homes including the development of “rural exception sites.”

8.6 The council has developed a housing strategy that includes ways to support the delivery of additional affordable housing.

9. Managing the housing target

9.1 Our emerging strategy will support significant growth that will not all be delivered in the first five years of the plan. Our own experience of delivery at Didcot and the ‘academic’ view presented in the SHELAA point to the fact that different scales of site deliver at different rates. We will need to identify a range of site sizes and our approach to supporting allocation in neighbourhood plans will help us with this. Our analysis shows that development at the different potential sites and locations are likely to be delivered across the whole plan period and beyond.

9.2 As noted above, we are committed to helping the city of Oxford meet some of the housing need that they are unable to do. We will start monitoring the delivery of this unmet need – and therefore have a higher target (rising from 775 to 1088) - from 01 April 2021.



10. Sources of housing supply

10.1 There are a number of sources of housing supply which will ensure housing delivery across the plan period, and these include:

- Strategic locations identified in the emerging local plan
- Retained core strategy allocations

- Existing planning commitments
- Small scale (non-strategic sites) to be identified through neighbourhood plans (or identified in the emerging local plan)
- Sites not yet identified that will come forward through the development management process in accordance with the policies in this plan, known as windfalls.

10.2 The strategic locations are central to the delivery of the Local Plan and to the achievement of our vision and objectives. As set out in the emerging Local Plan, we propose four strategic developments with the ambition to help strengthen the heart of South Oxfordshire. Together these sites have a potential capacity for around 8,500 new homes, however, we do not expect these to all be built before 2033 and therefore we are only counting 6,575 towards the plan target.

10.3 We have already made provision for around 12,000 homes: Some have been built since 2011; we made allocations in our adopted Core Strategy; we have other commitments from made NDP; and, we continue to grant planning permissions (windfalls).

10.4 The expected sources of supply of housing is shown below

Supply of new homes to come forward 2011-2033	Net number of units
Completions 2011-2017	3,397
Commitments as at 31 March 2017 – sites under construction, with planning permission or resolution to grant planning permission and allocations carried forward from the Core Strategy or in 'made' NDP	9,887
New strategic locations	6,575*
New Henley, Thame and Wallingford allocations	1,155
New allocations in the Larger Villages	1,049
Sites in the smaller villages (Neighbourhood Plans and infill sites) and windfall sites	500
Total	22,563

*strategic locations continue to deliver beyond the plan period.

11. Didcot

11.1 Didcot continues to represent a significant part of our overall strategy for growth in the emerging Local Plan. Over the lifetime of this emerging plan Didcot will see the development of over 6,500 new homes and more than 15,000 including development in the Vale of White Horse district. This will be delivered through the Garden Town initiative, but the allocations (five safeguarded from the Core Strategy and three new) in the emerging plan will be as follows:

Location	Indicative dwelling capacity
Safeguarded: Ladygrove East	642
Safeguarded: Didcot N E	2030
Safeguarded: Great Western Park	2587
Safeguarded: Vauxhall Barracks	300
Safeguarded: Orchard Centre Phase II	300
New: Didcot A	270
New: Gateway	300
New: Haddon Hill	74
Total	6,503

12. The Towns and villages

- 12.1 We have based the number of 1,155 (market towns) and 1,041 (larger villages) on a 15% growth in the number of houses, since 2011, at each of the towns and larger villages. This is in addition to what was allocated through the adopted Local Plan and adopted Core Strategy. However, the commitments and completions have been subtracted from the final target.
- 12.2 First, we calculated the figures based on a mathematical calculation that had no regard to the individual environmental and infrastructure constraints at each settlement.
- 12.3 Second, we used evidence collected during our plan making (particularly the SHELAA and Infrastructure Delivery Plan) to test the calculated figures against land availability, infrastructure capacities and suitable development sites. We have made a broad assessment of what is achievable that will be refined through Neighbourhood Development Plans produced by the communities at each location.
- 12.4 Through the broad assessments, it became clear that landscape constraints (AONB) in Henley, Goring and Nettlebed meant that the calculated number would not be deliverable. Therefore, the surplus from these locations was divided evenly between the other settlements – in the same hierarchy category – that still had the capacity to grow, and the figures rounded to the nearest 5.
- 12.5 In the larger villages of Chinnor and Benson planning permissions (including through allowed appeals) have already exceeded our calculations, hence the minus figure shown and an allocation of zero.
- 12.6 In Chalgrove and Berinsfield we have specific large scale development projects proposed in the emerging local plan, and therefore have made no more allocations.
- 12.7 We have identified the Oxford Brookes University site, which lies within Holton Parish, but adjacent to Wheatley, to deliver new homes through its redevelopment. The settlement of Wheatley is inset from the Green Belt, and there are only limited opportunities and exceptional circumstances to change the boundaries. We are working with the NDP group to identify new boundaries and these will need to be tested through our Local Plan examination. We are therefore not relying on an additional number from the NDP to the potential development that is identified at the University campus.
- 12.8 The following tables set out the calculated and assessed figures for each market town and larger village.

Town	Dwellings Count (2011 Census)	Additional 15% on 2011 dwelling stock	Local plan 2011 allocations carried forward to core strategy	Historic requirement from core strategy	sub-total requirement from 2011 Local Plan, core strategy and emerging local plan (D)	Completions (1 April 2011 - 31 March 2017)	Commitments (31 March 2017) Allocations, permissions (inc. appeals) and resolutions to grant	Remainder	Allocation in Local Plan after capacity assessment
		(A)	(B)	(C)	(A + B + C)	(E)	(F)	(D-E-F)	
Henley-on-Thames	5,898	885		400	1,285	147	602	536	350
Thame	4,875	731	12	775	1,518	416	686	416	510
Wallingford	3,432	515		555	1,070	98	771	201	295
Total					3,873				<u>1,155</u>

Larger village	Dwellings Count (2011 Census)	Additional 15% on 2011 dwelling stock	Local plan 2011 allocations carried forward to core strategy	Historic requirement from core strategy	sub-total requirement from 2011 Local Plan, core strategy and emerging local plan (D)	Completions (1 April 2011 - 31 March 2017)	Commitments (31 March 2017) Allocations, permissions (inc. appeals) and resolutions to grant	Remainder	Allocation in Local Plan after capacity assessment and adjustment for strategic sites
		(A)	(B)	(C)	(A + B + C)	(E)	(F)	(D-E-F)	
Benson	1,719	258		125	383	17	497	-131	0
Berinsfield	1,098	165		109	274	1	4	269	0
Chalgrove	1,120	168		80	248	14	2	232	0
Chinnor	2,389	358	77	159	594	253	524	-183	0
Cholsey	1,426	214	270	128	612	392	67	153	175
Crowmarsh Gifford	650	98	166	48	312	12	166	88	110
Goring	1,491	224		105	329	64	32	233	140
Nettlebed	330	50		20	70	7	4	59	46
Sonning Common	1,595	239		138	377	27	222	128	150
Watlington	1,221	183		79	262	9	19	234	260
Wheatley	1,702	255		50	305	45	62	198	0
Woodcote	1,012	152		73	225	20	69	136	160
Total					3,990				<u>1,041</u>