Day 1: The overall strategy, particularly the quantity and distribution of housing development (chapter 4 and the relevant section of chapter 7)

Magdalen/Thames have a particular interest in the questions relating to the South Oxford Strategic Development Area (SOSDA) as the principal landowners of that potential development area. In that context this submission is particularly concerned with matters B) and C), although a related topic is the overall housing figure for South Oxfordshire (addressed under matter A).

(A) The overall housing provision for the CS. The CS plans to meet the overall total housing figure allocated to South Oxfordshire in the South East Plan (adjusted by one additional year to 2027) except in the case of (B) below. Is this an appropriate overall target, or are there reasons to find it an unsound approach, justifying either a higher or lower overall total?

If the CS is not sound on the above matter, are there appropriate changes which would make it so and, if such changes were introduced, what would be the implications in terms of consultation and sustainability appraisal?

As set out below, the CS should include a mechanism to address the requirement for 4,000 dwellings to be provided within the Central Oxfordshire sub-region to meet the requirement that exists in the sub-region. There are no implications for such a change in terms of public consultation as the SOSDA has already been the subject of extensive consultation. However, the SA would need to be amended to assess the sustainability of an urban extension to Oxford as a free standing option. This approach can be informed by the analysis already undertaken both by the County Council and the SEP Panel, which concluded:

‘Having examined all of the evidence before us, our own views accord with those of the City Council that an urban extension will be required in the longer term. This will inevitably mean a review of Green Belt boundaries.’

(B) SOSDA: In view of (a) the successful legal challenge to this element of the South East Plan (SEP), notwithstanding the non-completion of a formal Consent Order and (b) the absence of mention of SOSDA in the recently-adopted City of Oxford CS, it is unclear (a) what precise joint-working mechanism would operate to address any potential longer-term growth needs of ‘Greater Oxford’ by the City and the authorities bordering it, and (b) when that work would need to occur. Consequently, is there any sound basis for the CS to refer to SOSDA and, if there is, how should it be referred to?

The status of the SOSDA has been a topic of discussion due to the unresolved status of the legal challenge to the SEP. Magdalen/Thames position on this issue is that whilst the SOSDA has been successfully challenged, the requirement for an additional 4,000 dwellings to meet the housing needs of Central Oxfordshire remains and is supported by the evidence base. In procedural terms this position is evidenced by the fact that the legal challenges to the SOSDA were founded on the failure of the Secretary of State to undertake a proper analysis of alternatives in the Strategic Environmental Assessment (SEA) that accompanied the SEP. Therefore whilst insufficient evidence existed to justify the SOSDA as the best location for an urban extension to Oxford, the evidence of its need was not disputed.

The Inspector has as evidence the e-mail from Treasury Solicitors dated 18 February 2010. This acknowledges the deletion of the SOSDA from the SEP and also a willingness to delete the Central Oxfordshire sub regional housing total. Two important aspects of this e-mail should be considered:

- it is not clear whether the willingness of the Treasury Solicitors to delete the sub-regional housing total would have met with the favour of all the parties challenging the plan and would therefore have been the outcome to the challenge, indeed it is notable that one of the parties had accepted merely deletion of reference to the SOSDA; and
- the willingness to delete the Central Oxfordshire sub regional housing total was in the context of an anticipated future ‘repair’ of the plan.

The e-mail therefore simply represents a ‘snap shot’ in time of a process that was yet to be resolved, both in terms of the challenge and subsequent ‘repair’. The e-mail cannot therefore be regarded as definitive in terms of the form of wording that would have appeared in the SEP.

Going beyond the procedural position, it is important that the evidence base that underpinned the allocation of the SOSDA is properly considered, particularly in the context of the draft NPPF requirement that Local Plans should be prepared on the basis of ‘objectively assessed development needs’ (draft NPPF, para. 110).

In terms of the need for housing, the specified requirement in the SEP for the whole of Oxfordshire is some 55,200 (40,680 for Central Oxfordshire and 14,520 in the Rest of Oxfordshire). SODC proposes in the CS to maintain the level of housing ascribed to the district of 10,940 homes. In accepting the evidence base for the District requirement, the Council logically should also be accepting of the need for the additional 4,000 dwellings provided in the SOSDA to meet the requirement of the sub-region. Indeed the Council’s SA does endorse this position in paragraph 4.11, where it states:
Following a challenge to the inclusion of the South Oxford SDA, this requirement has been removed from the adopted version of the South East Plan (although the requirement for 4,000 houses remains). (our emphasis)

Despite this acknowledgement, the CS not only has no allocation that would meet the 4,000-home requirement, but also no plan for how such an allocation can be brought forward. Magdalen/Thames maintain that this is a fatal omission in the CS. The removal of the 4,000 dwellings from the provision for Central Oxfordshire would result in significant under provision i.e. a deduction in 10% of the sub regional total. This is not a scale of under provision that can be tolerated, when the draft NPPF requires that for social purposes ‘an increased supply of housing’ should be achieved to provide for future and present needs. In addition, the draft NPPF requires at paragraph 19 that:

‘Planning should proactively drive and support the development this country needs. Every effort should be made to identify and meet the housing, business, and other development needs of an area, and respond positively to wider opportunities for growth.’

It is clear that SODC have not made ‘every effort’ as required by the draft NPPF, instead the wider housing requirements of the sub region (represented by the SOSDA 4,000 homes) has been wholly left to one side.

Furthermore, the draft NPPF at paragraph 27 states that a range of evidence should be drawn together to inform Local Plan targets, including market signals such as land prices. Magdalen/Thames submitted to the SEP examination detailed analysis showing the lack of affordability across the Central Oxfordshire sub-region (see attached). This showed that within Central Oxfordshire, Oxford for example showed a household price to household income (HP/HI) ratio of >8, which was among the highest in the south east region. Current data shows that issues of affordability persist at Oxford and across the sub-region.

In relation to Oxford, despite some house price falls due to the recession the ratio of lower quartile earnings in 2009 was still 8.75 in Oxford compared to 6.28 for England. House prices have increased in Oxford since then and the ratio of lower quartile house prices to lower quartile earning in 2010 had risen to 10.24 compared to 6.69 for England. A research report published by Shelter in October 2011 also confirms that:

3 Proposed Submission Core Strategy Sustainability Appraisal, South Oxfordshire DC, December 2010.

4 Shelter, Private Rent Watch Report 1 - Analysis of local rent levels and affordability, October 2011, pp12.
"The most unaffordable local authority area outside London is Oxford, where median rents for two bedroom homes account for 55% of local median full-time earnings. “

In the context of the sub-region research carried out by Savills in October 2011 compares the ratio of median house prices to median earnings for all Oxfordshire Authorities and the national average. This demonstrates that all Oxfordshire authorities exceed the national average, with South Oxfordshire District being the least affordable local authority area in the sub region, followed closely by Oxford City. A copy of the analysis accompanies this submission.

Magdalen / Thames maintain that the CS cannot be considered in isolation form the wider Central Oxfordshire, with which the demand for housing is evidenced by a range of studies and reports. It is not correct to undertake a mechanistic analysis of the housing requirement for the District solely, as the Council has done, thereby leaving to one side the demand for housing from the sub-region overall. The present approach in the CS does not accord with the draft NPPF requirement to meet ‘objectively assessed development needs…’.

Alongside the assessment of housing requirements, of equal importance is the economic case for the housing intended to be provided by the SOSDA, particularly in the context of the Government’s ‘Plan for Growth’. The evidence at the SEP examination from SEEDA was that, despite its evident potential, the Central Oxfordshire sub-region had performed below the regional average in terms of GVA growth between 1999 - 2004\(^5\). SEEDA’s analysis was therefore that ‘there is no room for complacency’.

The economic analysis at the time of the SEP examination showed that Central Oxfordshire has a higher number of jobs than resident workforce. Furthermore, initiatives such as ‘Science Vale’ and the Enterprise Zone status awarded to both Milton park and Harwell campus will exacerbate that imbalance. In that context there is a risk of Central Oxfordshire becoming uncompetitive because of the lack of flexibility in the job market. The SEP Panel noted 3 concerns:

- the scale of the imbalance at the beginning of the plan period given that Central Oxfordshire is one of the smallest sub-regions, and that it is forecast to worsen over the second half of the plan period;
- the fact that it adjoins the Western Corridor and Swindon areas southwards, and Milton Keynes to the north east, all of which are also areas of net in-commuting;
- the concentration of the imbalance within Oxford City.

Given pressure on the surrounding labour markets it is difficult to identify the source of in-commuters to take up the jobs being created in the Science Vale and elsewhere in the sub-region, other than by

long-distance, unsustainable commuting. If the imbalance is not addressed then there is a strong risk to economic growth. It is on this basis that the Panel recommended Central Oxfordshire to have one of the largest increases in housing numbers, because ‘insufficient weight has been given to economic factors’. The evidence that the SEP Panel heard also was that the constraints imposed on growth at Oxford risked damaging its internationally important economy and the University of Oxford stated that its competitiveness will be prejudiced.

Having confirmed the requirement for the level of development provided by the SOSDA, there remains the question of where it should be located. Whilst this question falls into the territory of the SEP legal challenge there is important information in the evidence base that dictates that the need must be met by an urban extension to Oxford and a consequent requirement for Green Belt review. The need for Green Belt review in Oxfordshire has been identified by the two previous Structure Plan Panels, most recently in the Panel Report on the Structure Plan to 2016, which stated:

Private Rent Watch Report 1 - Analysis of local rent levels and affordability

‘In future there will no doubt be continuing strong demands related to Oxford, and limitations on the scope for finding yet more capacity within the City or for steering more development to the country towns. We consider it inevitable, therefore, that future plans will need to address new spatial options within central Oxfordshire, including those which involve making changes to the Green Belt.’

The SEP Panel report similarly concluded that the ‘exceptional circumstances’ case required to justify a Green Belt review in terms that satisfy PPG 2, para. 2.6 were set out in the SEP Panel Report at para. 22.60 as follows:

‘First in addition to the regional imperative for a higher sub-regional housing level, there are indicators of need that are specific to Oxford:

- significant potential within nationally important science, technology and education sectors;
- a significant excess of jobs already over working population;
- staff recruitment and retention problems reported by key businesses and public services;
- housing affordability ratios in excess of the regional average;
- some of the highest house prices in the region;
- a large backlog of housing need; and
- worsening traffic congestion.’

Magdalen/Thames maintain therefore that there is an urgent need for an urban extension to Oxford, comprising some 4,000 dwellings, to meet the development requirements of the sub-region. The

---

failings of the SEP process are acknowledged, however, this should not be a reason for once again ‘kicking in to the long grass’ a measure that has been independently assessed as ‘inevitable’ since 2004 and which has subsequently been endorsed by the findings of the SEP Panel.

Magdalen/Thames therefore propose a transparent and inclusive process should take place in accord with the ‘duty to co-operate’ contained in the draft NPPF. The mechanism proposed is for a sub-regional study to be undertaken to determine the best location for an urban extension and consequent Green Belt review around Oxford. This would not be the first time such a study has been undertaken, with the County Council having prepared just such a study to inform the Structure Plan 2016. The County Council’s analysis identified two options: land in the Kidlington-Begbroke-Yarnton triangle and land south of Oxford. Of the two options the County Council confirmed its preference for the land south of Oxford as follows:

‘This is the largest area of land adjoining Oxford which is unaffected by strategic environmental constraints. It includes land south of Grenoble Road between the A4074 and B480, which can provide an opportunity for a mixed-use urban extension supporting a range of services and facilities.’

This option was subsequently endorsed by the SEP Panel, notwithstanding the subsequent SEA failings.

The CS should have an important role in establishing the context for the sub-regional study. The CS should for example include wording that confirms the SODC’s participation in the study process. Given the geography of Oxford’s administrative boundary, the other parties that should be involved in the study are Oxford City, Cherwell District and Oxfordshire County Councils. To inform the study and assist the analysis, the CS should include on the Proposals Map a defined ‘Area of Search’ for an urban extension to Oxford. The evidence base for defining the ‘Area of Search’ already exists and has been the subject of public consultation and can therefore be incorporated into the CS without concern over any lack of proper public input. Failure to define an ‘Area of Search’ would have the adverse effects of increasing public uncertainty about where such development is likely to take place and extend the period for the study unnecessarily in analysis of a wider range of sites.

(C) Central Oxfordshire Sub-Regional Strategy (CO) Do the proposals of the CS reflect ‘general conformity’ with the South East Plan’s approach to CO? Does the evidence base/rationale explained in the Strategy Development Background Paper and the Housing Background Paper, or any other

---

documents, demonstrate that the exclusion from the CS of a specific housing figure for CO embraces the principles expressed in para 24 of the Court of Appeal ‘Cala Homes 3’ decision in a non-predetermined way - especially that concerning the ‘lack of flexibility’ with regard to the regional strategy and the requirement not to have regard to its abolition?

As specified above, the strategy for CO should include a mechanism for provision of some 4,000 homes consistent with the evidence base and findings recommendations of the SEP Panel.