

HOUSING NEED AND GROWTH IN OXFORDSHIRE

A report by Planning Oxfordshire's Environment and
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Background

1. In 2014 the district councils in Oxfordshire published a Strategic Housing Market Assessment¹ (SHMA) and an update for Oxford City was published in 2018. These, and the critiques done of these studies are summarised in the appendix.
2. The district and county councils have agreed a Housing and Growth Deal with central government to plan and support the delivery of about 100,000 new homes in Oxfordshire between 2011 and 2031. To put this figure in context, this would imply building at an annual rate of over twice that achieved between 2011 and 2018, and at a much higher rate than ever achieved in the past. It would result in almost twice as many new homes in the county as Oxford has now, in the space of just 20 years.
3. In return the local authorities are due to get up to £215 million funding for infrastructure, housing and the preparation of a Joint Statutory Spatial Plan across Oxfordshire to 2050. Again, to put this in context, the local authorities have estimated that £9 billion² of funding is required. In other words, the Growth Deal would provide less than 3% of what the authorities themselves have stated is required. Provisional additional funding from the Housing Infrastructure Fund totalling £320m to support housing at Didcot and Eynsham has subsequently been announced.
4. The Oxfordshire Plan to 2050, required by the Growth Deal, is to support local authorities to maximise the available land for housing growth after 2031. An initial consultation has taken place on the vision and objectives of the Oxfordshire 2050 plan. Further consultation is programmed for November/December 2019 on key technical challenges with consultation on the spatial growth options in June/July 2020.
5. In March 2019 a joint declaration was published between Government and local partners relating to the potential of the Oxford to Cambridge Arc³. This could involve a further 200,000 houses in Oxfordshire between 2031 and 2050 – an extraordinarily high building rate of 10,000 homes a year, or 3 times the rate achieved to 2018. It could mean roughly doubling Oxfordshire's housing stock and population within the next 30 years.

Analysis

6. We have concerns that the very high building rates in the 2014 SHMA appear to have been used as a basis for local plans without being seriously tested. It now seems that many of the points put forward by objectors to the local plans were valid. GL Hearn and Oxford City Council are no longer defending the results of the 2014 SHMA. The 2018 update⁴ for Oxford (also prepared by GL Hearn) showed an annual need of just over half that identified in the 2014 study. It also seems that the figures for affordable housing in the later study were too high. However, the figures (paragraph 4 of the appendix) are still being used as the basis of local plans for the districts around Oxford to cater for the needs of the city that the city council considers it cannot accommodate within its boundaries. A great deal of land has been allocated for housing much of it within the Oxford

Green Belt. These allocations now cannot be defended on the grounds of meeting the needs of Oxford.

7. The figures in the 2014 SHMA were used as the basis of the Growth Bid. Government advice has subsequently been modified to state that growth bids can be taken into account in considering local plans. It is the Growth Bid that is now being promoted by the city council as the basis for justifying the level of growth. This is a circular argument, and given the flawed basis of the figures in the Growth Deal, it needs re-examining.
8. Moreover, there is no democratic mandate to hugely accelerate Oxfordshire's growth rate, not only by the current growth deal, but further development over the next three decades as part of an Oxford to Cambridge Arc. If Inspectors are obliged to rely on deals between levels of government it gives them no scope to take account of points raised by objectors and increases further the democratic deficit in the planning process.
9. The unprecedented level of growth being promoted for Oxfordshire with associated transport infrastructure has enormous implications for climate change, the environment generally and the quality of life of Oxfordshire residents. Yet there has been no proper assessment or acknowledgement of this in the political decision-making process.
10. The figures for Oxford itself and the City Council's assertions on the amount of housing it can accommodate within its boundaries are currently going through the local plan system. Yet other districts are further ahead with planning the Oxford overspill (see paragraph 4 of appendix). Much of the development proposed is in the Green Belt (Cherwell's now entirely so). The National Planning Policy Framework (NPPF) states that once established Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified. Paragraph 137 states, "before concluding that exceptional circumstances exist to justify changes to Green Belt boundaries, the strategic policy making authority should be able to demonstrate that it has examined fully all other reasonable options for meeting its identified need for development". In the case of Oxford, the scale of development proposed through the Growth Deal is far in excess of the identified need, and the capacity of the city to accommodate the growth has not yet been determined. It would therefore seem that the tests in the NPPF have not been met.
11. It is clear there is a need for housing in Oxfordshire and in particular a need for affordable housing. However, the results of need assessments are converted to a number of dwellings only and there is no effective mechanism for ensuring that the type of housing built equates to that which meets the needs of households in the area. (This issue is covered in more detail in our report on affordable housing – https://www.poetsplanningoxon.uk/poets_affordable_housing_final_nov2019.pdf - and the table in A5 of its appendix details completions of affordable housing in Oxfordshire).

Recommendations

Central government

12. The Government should ensure that local housing need assessments are properly carried out, are consistent with national forecasts and standards, and done by qualified independent consultants. They should focus on the needs of an area leaving any uplift on the figures to meet growth aspirations as a matter for the local authorities. Assessments should be subject to independent examination by Inspectors with the relevant skills before they are used as the basis for local plans.
13. Government policy should ensure that local plans include mechanisms to deliver the type and tenure of housing needed and not simply be a numbers game.
14. Central and local government should not enter into agreements where there has been no proper consultation with the electorate and where there has been no proper assessment of the wider impacts. The Government should not make funding of necessary infrastructure contingent on high levels of growth.

Local government

15. Locally the present round of local plans yet to be adopted should be paused until a more accurate picture of Oxford's needs can be determined, until there has been an independent assessment of the city's ability to accommodate its needs, and until it can be shown that any new housing will actually meet the defined need. The NPPF tests for the release of Green Belt land can only be properly applied in these circumstances. Further assessment is also needed in the light of climate change imperatives.
16. The Oxfordshire Plan to 2050 must carry out a detailed assessment of various levels of growth and give the electorate genuine choices, focusing, as far as housing is concerned, on meeting properly assessed local needs and not being bound by previous undertakings.

References

1. HEARN, G.L., *Oxfordshire Strategic Housing Market Assessment*, April 2014 www.southoxon.gov.uk/sites/default/files/2014-04-14_Final%20SHMA%20Report.pdf
2. SODC website, *Oxfordshire Councils need £9 bn to support growth*, July 2017 www.southoxon.gov.uk/news/2017/2017-07/oxfordshire-councils-need-%C2%A39bn-infrastructure-support-growth
3. Ministry of Housing, Communities & Local Government, *The Oxford-Cambridge Arc: government ambition and joint declaration between government and local partners*, March 2019 www.gov.uk/government/publications/the-oxford-cambridge-arc-government-ambition-and-joint-declaration-between-government-and-local-partners
4. HEARN, G.L., Oxford City – Objectively Assessed Need Update, October 2018 [www.oxford.gov.uk/downloads/file/5606/hou5 - oxford city - objectively assessed need update](http://www.oxford.gov.uk/downloads/file/5606/hou5_-_oxford_city_-_objectively_assessed_need_update)

Appendix

Oxfordshire strategic housing-market assessments

1. The preparation of a local housing need assessment conducted using the standard methodology is a requirement of the National Planning Policy Framework (NPPF). Paragraph 60 states:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”

2. The SHMA for Oxfordshire was commissioned by all five Oxfordshire district councils and prepared by GL Hearn Associates in 2014. It was published in April 2014. It takes the CLG 2011-based Household Projections of 1900 dwellings per annum (dpa) in the next ten years and through various steps which:
 - question the validity of the 2011-based projections and working with Oxford City Council produce higher figures for Oxford
 - project further forward to 2031 resulting in a figure of 2900 dpa
 - take account of past shortfalls in housing delivery (although no allowance is made for one district’s surplus) resulting in a requirement of 3100 dpa
 - note the requirement based on a business as usual economic case (although this is adjusted upwards) would be 2900 dpa but increases it further based on “committed economic growth” resulting in a requirement of 4280 dpa
 - add in a further provision for affordable housing taking the total to 5003 dpa.
3. The figure for Oxfordshire was divided between the districts as follows

District	SHMA dwellings per annum
Cherwell	1140
Oxford	1400
South Oxfordshire	775
Vale of White Horse	1028
West Oxfordshire	660

4. However, on the basis that Oxford could not accommodate all of its assessed need within its boundaries, the district councils agreed a distribution of the unmet need as follows:

District	Additional dwellings to accommodate Oxford's unmet needs
Cherwell	4400
South Oxfordshire	4950
Vale of White Horse	2200
West Oxfordshire	2750

5. These figures are being used as the basis for the Oxfordshire Growth Deal and in local plans.
6. A critique of Oxfordshire SHMA was commissioned by CPRE Oxfordshire. It criticised many aspects of the study including pointing out that the implied level of completions is completely outside the range of post-World War 2 experience.
7. In October 2018 Oxford City Council published an update of the 2014 SHMA 'Oxford City Objectively Assessed Need Update', also prepared by GL Hearn with an input from other consultants. It contains an analysis of why an update was necessary. This includes changes in methodology, updated forecasts and court cases that have influenced the way SHMAs are prepared. For example a case found that uplifts to make up for past shortfalls should not be included in the need figure.
8. The report considers various figures for the housing requirement of the city and is somewhat confusing as it introduces policy considerations to its assessment of need. It recommends that as the Growth Deal results in a per annum growth rate which is very similar (slightly higher) to the level of growth identified in the 2014 Oxfordshire SHMA, it would therefore seem reasonable that the City Council consider maintaining the previous figure as a housing requirement.
9. Opinion Research Services (ORS) was commissioned by the Cherwell Development Watch Alliance to review and report¹ on the level of assessed need in the Oxford City SHMA Update. ORS is one of the leading independent consultants on housing needs assessments having prepared them for 140 local planning authorities. It concluded that:
 - the Oxford City SHMA Update identifies an objectively assessed need for Oxford City of 776 dwellings per annum – a figure that is in line with adopted plan figures for similar areas across the South East of England (the figure of 1,400 dwellings per annum in the Oxfordshire SHMA 2014 was an outlier and should be disregarded)
 - the figure proposed by Oxford City of 1356 dwellings to meet all affordable housing need is based on a substantial over-estimation of affordable housing needs and is also an approach which is flawed and without precedent across the country.

10. The Inspectors considering the Oxford City Plan have questioned the figures for the city. In response the city council is relying on the Growth Deal and the need for affordable housing.

Further information

11. Further information can be found on the websites of the local planning authorities in the planning policy sections which contain material from both the authorities themselves and the objectors to the plans, the websites of the Oxfordshire Growth Board and the Ministry of Housing, Communities and Local Government.

References

1. Opinion Research Services, *Review of the Oxfordshire SMHA 2014 and Oxford City SHMA Update 2018*.