

Oxford Core Strategy Examination

20th August 2010

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This paper has been produced in response to the letter dated 12th July 2010 from Mr Stephen J Pratt, the Inspector for the Oxford Core Strategy Examination, who requested some further information from the City Council on the implications of the revocation of the South East Plan Regional Spatial Strategy (SEPRSS) ahead of the resumption of hearing sessions on 14th September 2010.

The specific matters on which Mr Pratt requested the views of the City Council are listed at points (1) to (7) on page 2 of his letter of 12th July. For ease of reference, this paper lists each of the matters raised by the Inspector, followed by the City Council's response to that point.

1. Will the Council confirm that they wish me to proceed to complete the examination of the soundness of the Core Strategy (as currently submitted and amended, with the latest proposed changes) following the abolition of the SEPRSS?

The City Council can confirm that it would like you to conclude the Oxford Core Strategy following the abolition of the SEPRSS.

In doing so, the City Council has noted the advice in the Guidance for Local Planning Authorities attached to a letter sent by Steve Quartermain to Chief Planning Officers on 6th July 2010. Paragraph 5 indicates that "the revocation of Regional Strategies is not a signal for local authorities to stop making plans for their area"¹.

2. What are the implications, if any, for the Oxford Core Strategy of the Secretary of State's announcement of 6th July 2010 confirming that the Regional Strategies (including the SEPRSS) have been formally revoked and no longer form part of the statutory development plan?

¹ Letter to Chief Planning Officers from Steve Quartermain (Chief Planner) and attached Guidance for Local Planning Authorities following the revocation of Regional Strategies, (6 July 2010), CLG

The City Council started work on the Core Strategy in early 2006 and adopted a bottom-up approach whereby the spatial strategy emerged from key parts of the evidence base rather than simply being imposed from above.

As an example of this bottom-up approach, the City Council has consistently been clear in the Core Strategy that it would treat the SEPRSS housing allocation for Oxford as a minimum and that, within the framework of the Core Strategy, it would seek to deliver more housing than the SEPRSS allocation if additional sites become available. During the preparation of the Core Strategy, the Council tested a range of options for housing provision, including options for levels of growth well above those proposed in the draft South East Plan. While the housing provision figure in the submitted Core Strategy was brought into line with that in the South East Plan, this was as a result of further work on the assessment of housing capacity in the city rather than an imposition from the regional plan. More detail on the City Council's approach to housing provision is contained within the accompanying Housing Background Paper.

The Core Strategy was prepared with a view to generally conforming with, but not duplicating, regional policy contained within the SEPRSS. While the revocation of the SEPRSS will have some implications for the Core Strategy, these are not of such significance to be debilitating to the strategy. The main spatial implication is that SOSDA is no longer allocated at the regional level and is therefore unlikely to be implemented in the short to medium term (see response to point 6b below). However, the consequences of the loss of SOSDA have already been fully set out in the Further Proposed Changes to the Submission Core Strategy, and the responses to that consultation are already before the Inspector.

Other implications are discussed below under the topic-based questions, but the key point is that the SEPRSS did not dictate the options that were considered during the preparation of the Core Strategy, i.e. the City Council did not omit or exclude any reasonable spatial or policy options because of the existence of the SEPRSS.

3. Do the Council intend to review or revise the Core Strategy, its policies and content following the revocation of the SEPRSS, and if so, what is the likely timescale for any review?

The City Council does not intend to review or revise the Core Strategy following the revocation of the SEPRSS. As indicated above, the Council has approached the production of the Core Strategy from the bottom-up and as a result the implications of the revocation are of marginal significance.

4. Do the Council intend to retain or review the overall level of housing provision proposed in the Core Strategy, and if so, what will be the basis for any existing or revised figures, particularly in terms of housing land supply (both in terms of 5-year and longer term provision)?

The City Council intends to retain the existing Core Strategy target of 8,000 dwellings between 2006 and 2026. Although actual need is much higher, a capacity-based assessment demonstrates that 8,000 represents a realistic and achievable land supply figure to plan for over the Core Strategy period. The City Council will continue to treat this figure as a minimum and will not hold back otherwise acceptable sites, or windfalls, should actual delivery exceed the housing trajectory shown in the Core Strategy.

In response to a note from the Inspector dated 23rd July 2010, the City Council has prepared a separate background paper explaining the factors behind the decision to continue to rely on the housing provision figures for Oxford included within the now revoked SEPRSS.

5. Do the Council intend to retain or review the overall level of employment land provision proposed in the Core Strategy, and if so, what will be the basis for any existing or revised figures of employment land supply?

The City Council intends to retain the overall level of employment land proposed in the Core Strategy, as amended by the recent consultation on the Further Proposed Changes which limited the amount of Class B floorspace coming forward at the Northern Gateway to the bottom of the range previously specified (see question 6c below).

The main evidence base for the amount of employment land required for Oxford is set out in the Employment Land Study 2006 (CD 14/27), prepared by Nathaniel Lichfield. The study was a thorough assessment of the future demand for employment land. It considered how this demand could be accommodated in the context of existing brownfield sites, the West End and the opportunities that could be provided by strategic locations such as the 'safeguarded land'. The study supported a 'managed economic growth' strategy to land provision, which sought to protect and modernise existing employment land supply, whilst providing some employment in the West End and at the Northern Gateway. The study is a robust piece of work. An audit of Employment Land Reviews, carried out by DTZ on behalf of SEERA, referred to this study in Oxford as an example of best practise, in terms of geographical coverage, qualitative appraisals and producing good scenarios.

Although prepared in 2005/6, the Employment Land Study forecast requirements for employment space over a 15 year period. This timescale

would be expected to cover different economic cycles, including periods of both economic downturn and stronger growth, and the forecasts would have reflected this. The employment forecasts used were derived in 2004, well before the peak of economic activity in 2008 and at a time when Oxford and the South East were still recovering from the effects of the 'dot-com' crash, which particularly affected the higher technology sectors in which Oxford is strong. On that basis, the forecasts were unlikely to have been unduly optimistic and therefore still provide a reasonable basis for longer-term planning purposes.

The City Council has also taken note of recent independent research undertaken by the Centre for Cities (June 2010).² This advises the new Coalition Government to take a pro-active approach to economic development. It argues that *"England urgently needs to grow its private sector economy and create more private sector jobs."* This approach is important in the context of a contraction in public sector jobs and threats from the global market; and therefore cities will look to the private sector to generate future employment growth.

The study assessed the economic health of a range of key cities and categorised them as buoyant, stable or struggling. Oxford was considered to be a buoyant city and, as such, viewed as amongst those which are considered to be *"prime candidates for major expansion to support economic and employment growth in the UK."* However, the study noted that *"more surprisingly, Oxford, which is normally viewed as one of England's most prosperous cities, has also been among the worst performers on private sector jobs growth, losing 6,000 jobs between 1998-2008."* Given that public sector workers account for over 40% of Oxford's workforce, the city's economy is potentially highly vulnerable to public sector spending cuts.

The City Council also notes the CLG guidance for Local Planning Authorities following the revocation of Regional Strategies³. This confirms that *"Local authorities must continue to have regard to PPS4: Planning for Sustainable Economic Growth (2009) in preparing LDF's."* The Parliamentary Statement⁴ recognises the importance of economic growth in paragraph 8, which states that these measures *"will encourage the investment, economic growth and housing that Britain needs."*

² Private sector cities: A new geography of opportunity (Centre for Cities, June 2010)
<http://www.centreforcities.org/privatesectorcities.html>

³ "Chief Planning Officer" letter from Steve Quartermain, CLG Chief Planner, dated 6th July 2010
<http://www.communities.gov.uk/publications/planningandbuilding/letterregionalstrategies>

⁴ Parliamentary Statement: Revoking Regional Spatial Strategies (6 July 2010)
<http://www.communities.gov.uk/statements/corporate/regionalstrategies>

The joint letter on Local Enterprise Partnerships⁵, from the Secretary of State for Business and Innovation and Skills and the Secretary of State for Communities and Local Government sets out their key role. It states in paragraph 6 that *“the coalition government is determined to rebalance the economy towards the private sector”,* and *“regard local enterprise partnerships as being central to this vision.”*

It is therefore clear that, whilst the RSS lent weight to the Core Strategy approach to employment, recent Coalition Government statements equally support this approach.

With regard to the City Council’s overall strategy, it is important to recognise the danger of complacency and therefore to promote Oxford’s role as a world-class city, which builds on its economic strengths in key sectors. It is important also to support and strengthen the diversity in Oxford’s economy, which makes it less reliant on the public sector and provides a greater range of employment opportunities. Amongst the infrastructure requirements is the need to provide a reasonable supply of land and premises in Oxford to meet the needs of key and emerging sectors, which are important to the city’s economy.

6. Does the revocation of the SEPRSS have any other implications for the Core Strategy, including:

a) The sub-regional strategy for the Oxford area

As part of the production of the draft SEPRSS, SEERA asked upper tier authorities to assist in its preparation. The Central Oxfordshire Steering Group, lead by Oxfordshire County Council, was formed and included the other Oxfordshire districts who were represented by both senior officers and Members.

The aim of the group was to produce a Central Oxfordshire Sub-Regional Strategy which would form a draft of the Central Oxfordshire section of the SEPRSS.

The policies for the Oxfordshire sub-region within the draft SEPRSS were, in essence, written by the Local Authorities of Oxfordshire and published with their general support. This approach aligns well with the coalition government’s localism agenda. Oxford City Council did, however, submit a separate statement largely in relation to its support of the review of the Green Belt. The Panel supported an urban extension on Green Belt land south of the

⁵ Letter from Vince Cable (BIS) and Eric Pickles (CLG): Local Enterprise Partnerships, June 2010 <http://www.communities.gov.uk/documents/localgovernment/pdf/1626854.pdf>

city, which became known as the South of Oxford Strategic Development Area (SOSDA).

The SEPRSS policies were therefore not imposed upon Oxfordshire unwillingly because all the local authorities had full involvement in their production. Whilst the revocation of the SEPRSS gives the opportunity for local authorities across the region to now amend their policies if they choose to do so, the City Council will not be seeking to do this as it is in general support of the SEPRSS policies.

The Central Oxfordshire Sub-Regional Strategy continues to be a strategy supported locally and is being taken forward for further development through the Spatial Planning and Infrastructure Partnership and the Local Investment Plan (see question 6(i) below).

b) The loss of the South of Oxford Strategic Development Area

The loss of the SOSDA and any implications for Oxford's Core Strategy has already been dealt with in the recent consultation on Further Preferred Changes to the Submission Core Strategy. That document set out the changes, both direct and consequential, which the City Council considered should be made to the Core Strategy as a result of the uncertainty about SOSDA arising from legal challenges to the SEPRSS.

The revocation of the SEPRSS provides greater clarity in this respect as it effectively confirms that SOSDA will not go ahead in the short to medium term, given our understanding that South Oxfordshire District Council does not wish to pursue SOSDA in the absence of a regional requirement to do so.

c) The Northern Gateway proposed development area

The revocation of the SEPRSS means that there is no longer any regional or sub-regional guidance about where employment development should be located in Oxford, or what form this should take. However, the Employment Land Study 2006 identified the Northern Gateway as the most suitable available site to meet the minimum additional land requirement identified in that Study. The response to question 5 above summarises why the City Council intends to retain the overall level of employment land in the Core Strategy.

The future development of the Northern Gateway is a key element of land provision which is important in delivering the 'managed economic growth' strategy for Oxford. It positively plans for the economic development of the city and will provide the opportunity for an increase in private sector jobs

which accords with the new Government's ambition to rebalance the economy towards the private sector.

The City Council proposed some amendments to the scale, mix and phasing of development at the Northern Gateway in response to the loss of SOSDA, as set out in the recent consultation on Further Proposed Changes to the Submission Core Strategy. These changes set an overall ceiling on 'B' Class employment floorspace at the lower end of the original range at 55,000 sq m by 2026. This would result in an estimated 3,000 new jobs. The amount of 'B' Class floorspace coming forward to 2016 is proposed to be capped at 20,000 sq m, which would generate some 1,100 jobs. The Council wishes to retain these figures in the absence of the SEPRSS.

Part of the proposed Northern Gateway Area Action Plan is currently within the Green Belt. The response to Question 6 e) considers the implications of the revocation of the SEPRSS.

d) The homes/jobs balance in Oxford

One of the main topics of debate at the Core Strategy hearings last year was the implications of the SEPRSS for the homes/jobs balance in Oxford. SEPRSS Policies CO1 and CO2 and their accompanying text supported the physical and economic growth of Oxford, while seeking to ensure that the balance of jobs and housing at both the sub-regional and main settlement level does not worsen and preferably improves.

The revocation of the SEPRSS means that each district council will have to reach a judgement about the appropriate balance at different settlements, while seeking to reach consensus with neighbouring authorities where possible through partnership working on cross-boundary issues.

With regard to Oxford's balance, the City Council has addressed this issue in some detail in the recent consultation on Further Proposed Changes to the Submission Core Strategy. In that document, it was stated that, even without SOSDA, the Core Strategy seeks to achieve a modest improvement in the jobs/housing imbalance over the plan period. It seeks to do this by delivering significant levels of new housing while also providing for growth in particular sectors to support the economy.

It was generally accepted during the examination hearings that the jobs/housing ratio has been narrowing in Oxford during the last few decades. Notwithstanding this trend, it is inevitable that there will continue to be an imbalance given the economic importance of Oxford, the fact that it contains many of the largest employers in the county and that it acts as a service centre for the wider sub-region.

While there is no longer an imperative through the SEPRSS to aim to ensure that the homes/jobs balance does not worsen, the City Council intends to retain the overall level of housing and employment provision set out in the Core Strategy (as submitted and amended through the latest proposed changes). We consider this to be a robust and pragmatic position, which recognises both the pressures caused by in-commuting and the unique economic strengths of the Oxford brand which cannot be replicated in smaller market towns elsewhere in the county.

e) Green Belt

Policy SP5 in the SEPRSS supported the broad extent of Green Belt land in the South East, whilst requiring a selective review of the Green Belt south of Oxford (as well as one to the north-east of Guildford). Policy SP5 added that smaller scale reviews were likely to be required in other locations, and that these should be progressed through the local development framework process. These reviews would have needed to satisfy national criteria for Green Belt releases, accord with the spatial strategy, and ensure that sufficient land was safeguarded to avoid the need for further review to meet development needs to at least 2031.

Guidance from CLG on changes to the Green Belt is appended to the "Chief Planning Officer" letter from Steve Quartermain, CLG Chief Planner, dated 6th July 2010. It states that LPAs should continue to apply policies in PPG2, and goes on to state:

"As part of their preparation or revision of DPDs, planning authorities should consider the desirability of new Green Belt or adjustment of an existing Green Belt boundary, working with other local planning authorities as appropriate."

With regard to the Green Belt around Oxford, the revocation of the SEPRSS means that there is unlikely to be a comprehensive Green Belt Review as the City Council does not currently detect any appetite amongst its neighbouring districts to undertake such a review. This does not necessarily mean that there will be no proposals for development in the Green Belt, since there may be landowners who will seek to bring forward Green Belt sites through the local development framework process,

Within Oxford, Core Strategy Policy CS4 enables the Northern Gateway Area Action Plan and the Site Allocations DPD to consider the potential for any small-scale review of Green Belt boundaries, subject to exceptional circumstances being demonstrated and certain criteria being met.

PPG2 describes the 'exceptional circumstances' test, and its applicability to the Northern Gateway has been closely examined at earlier examination hearings. The CLG guidance is clear that, subject to PPG2, it is for the local planning authority to determine and justify whether such an adjustment to the Green Belt boundary is appropriate.

Hence, in the City Council's view, there are no material implications for the Oxford Core Strategy's policies on the Green Belt arising from revocation of the SEPRSS.

f) Transport

Policy SP2 of the SEPRSS identified Oxford as one of 22 'regional hubs'. The approach recognised that certain cities and towns in the region have more developed transport systems, and tend to attract the most employment, leisure, retail and cultural activity. Specifically in terms of transport, paragraph 4.8 stated that the hubs would be *"a focus for multi-modal transport infrastructure both within and between hubs, supported by initiatives to re-balance travel patterns through behavioural change."*

The revocation of the SEPRSS does not alter the pivotal role that Oxford plays as a regional transport node. For example, Oxford Station will continue to act as an important rail and bus interchange, and the City centre will continue to be the central hub of the Premium Bus network that extends across Oxfordshire and beyond. Oxfordshire County Council is clear that the Access to Oxford project remains a priority, and will continue to develop proposals in order to maximise the chances of securing funding from the Department of Transport.

There remain significant transport issues within the City, as identified and discussed at earlier examination hearings. Given the lack of an overarching regional strategy, the policies of the Core Strategy will play an even more important part in integrating land use and transport objectives, and in driving forward the infrastructure and behavioural changes needed to successfully manage traffic in and around Oxford as the City grows.

The City Council is continuing to work closely with the County Council as it prepares its third Local Transport Plan (LTP3). The draft Core Strategy policies are being used as a basis for input into the Oxford strategy to be included in LTP3.

g) Hierarchy of centres, including town, local and other shopping centres

Paragraph 17 of the letter from Steve Quatermain, providing guidance for Local Planning Authorities following the revocation of Regional Strategies,

confirms that *“Local authorities must continue to have regard to PPS4: Planning for Sustainable Economic Growth (2009) in preparing LDF’s”,* adding that PPS4 should be used *“in determining planning applications for retail, leisure and other main town centre uses.”* The advice in PPS4 requires local planning authorities to pro-actively plan for sustainable economic growth and define a network and hierarchy of centres.

Oxford has an established hierarchy of centres, which comprises the City centre, District centres and neighbourhood centres, as defined in the adopted Local Plan. The Core Strategy builds on Oxford’s existing spatial pattern and highlights the potential for the Cowley centre to be identified as a Primary District centre, in recognition of its role as a transport ‘hub’, the opportunities to accommodate further growth, and the range of existing units which make the centre distinct by serving a larger catchment area than other district centres. The Core Strategy also proposes to elevate Blackbird Leys from a neighbourhood centre to a District centre to aid regeneration in that part of the city.

The proposals relating to Cowley Centre and Blackbird Leys came from a bottom-up approach rather than being imposed from above, and the revocation of the SEPRSS has no implications for the hierarchy of centres in Oxford.

The City centre was identified in the SEPRSS, and referred to in the Core Strategy, as one of 12 ‘Centres for Significant Change’ in the South East, with the expectation that it would evolve significantly in terms of its range of town centre uses. The revocation of the SEPRSS does not change the fact that the City centre will continue to be at the top of Oxford’s hierarchy and will be the main focus for developments that a large number of people, given that it serves a wide catchment area. Significant development is expected in the West End of the City centre, as set out in the adopted West End Area Action Plan and the Core Strategy.

h) Regional policies on natural environment, flooding, climate change (including renewable and low-carbon energy)

In developing the Core Strategy Policies, the City Council had regard to the SEPRSS policies, but did not rely on them as the Core Strategy policies were locally specific. The starting point for these policies were relevant national planning policy statements, namely PPS1 and the Climate Change supplement, PPS9, PPS22, and PPS25.

With regard to natural resources and energy efficiency, the Council was already in a strong policy position at the time of preparing the Core Strategy. A Natural Resources Impact Analysis SPD was adopted in 2006, to support

saved Local Plan Policy CP.18. This went further than the RSS policy requirements, with challenging targets for on-site renewable energy generation, energy efficiency standards (including embodied energy) and water resources efficiency. This local policy background is reflected in a stand-alone Core Strategy Policy CS10. The targets and thresholds for energy efficiency in new developments is currently being reviewed as part of the Sites and Policies DPD, to take account of developments in national policy and further analysis of viability issues.

In respect of flooding, the Council undertook a comprehensive Strategic Flood Risk Assessment which became an integral part of the plan preparation. The conclusions of this informed both the Spatial Strategy, and Core Strategy Policy CS12, which stands independently of the former RSS.

With regard to biodiversity, the Core Strategy again took a comprehensive approach to developing policy. This was to reflect the concentration of high-quality, ecologically important sites, including a Special Area of Conservation and 12 Sites of Special Scientific Interest. Core Strategy Policy CS13 stands independently of the former RSS.

In summary, whilst the SEPRSS policies gave a useful strategic steer to the development of these policy areas, the Core Strategy nevertheless stands on its own. Therefore the City Council is of the view that there are no significant implications arising from the revocation of the RSS in respect of these areas of policy.

i) Cross-boundary and sub-regional issues

Regional guidance set out in the former RPG9⁶ was silent on Central Oxfordshire. The sub-regional concept of Central Oxfordshire emerged through the development of the SEPRSS, inspired by the Oxfordshire local authorities.

Whilst the City Council has had different views to neighbouring authorities on the SOSDA, there are mechanisms in place to allow for continued discussions on planning policy issues. City Council policy planners meet quarterly with their counterparts at the other districts and the County Council to update each other on progress with their respective local development frameworks, and to discuss current spatial planning issues which affect the sub-region.

Indeed there has been considerable cross-boundary working on sub-regional issues, notwithstanding the different political complexions. Oxfordshire was selected by the Homes and Communities Agency (HCA) as one of the pilot areas for their new Single Conversation. The Local Investment Plan (LIP),

⁶ Regional Planning Guidance for the South East (RPG9) March 2001

finalised in March 2010 and endorsed by all the Oxfordshire local authorities, outlines and integrates for the first time housing, economic development and infrastructure plans for the next 20 years. A subsequent Local Investment Agreement (LIA), in the form of a non-legally binding Memorandum of Understanding between the HCA and the Oxfordshire local authorities, was completed this summer and is the first such Agreement in the South East.

The recent Government Statement on the replacement of the existing Regional Development Agencies with Local Enterprise Partnerships is also relevant. It proposes to split some of the former economic development roles previously undertaken by the RDA's to national and local responsibilities. Inward investment, sector leadership, business support, innovation, and access to finance will be dealt with at the national level. The Local Enterprise Partnerships will, however, be responsible for co-ordinating a strategic overview on planning, housing, local transport and infrastructure, employment and enterprise and the low-carbon economy.

Advice on the scope of these Local Enterprise Partnerships, in terms of their size and governance, is still emerging and it is being left for local authorities and the business community to formulate proposals to be submitted to Government in September 2010. The City Council is in discussions with the County Council and neighbouring authorities with a view to making a bid for an Oxfordshire City Region Local Enterprise Partnership. This aims to highlight the importance of Oxfordshire as a centre for innovation.

j) Flexibility and contingency arrangements for the longer term

In the City Council's view, the revocation of the SEPRSS has little material impact on how core strategies consider contingencies. This is because RSSs specified the pattern of regional growth through adoption of authority-wide targets and objectives, but did not determine which sites were most appropriate to achieve these.

Local planning authorities, on the other hand, were always required to set out in their LDFs a spatial strategy to deliver the regionally-set objectives, supported by allocations of deliverable strategic sites where appropriate.

The Oxford Core Strategy considers a contingency strategy, to ensure that housing growth ambitions are met, in Section 3.4. Policy CS9 allocates safeguarded land at Summertown as a strategic contingency site, and Policy CS2 allows for the development of further greenfield sites if required to maintain a five-year rolling housing land supply.

In respect of employment land, the shortage of development land in Oxford means that there is limited scope for contingency measures in the event that

strategic sites at the Northern Gateway and West End did not come forward within the anticipated timescales. There may be some scope to allocate land for employment uses at some District centres, including the proposed new Blackbird Leys District Centre, through the review of site allocations. However, this situation has not changed as a result of the revocation of the SEPRSS.

In the longer-term, the loss of SOSDA may mean that opportunities for significant new employment land supply will need to be met within the wider sub-region, for example at Science Vale UK and Bicester, although such locations would in the City Council's view be sub-optimal for University and hospital-related spin-out employment growth.

- 7. Does the previous Ministerial statement amending the status of private residential gardens in terms of previously developed land and abolishing the minimum density requirement (PPS3: Annex B & paragraph 47) have any implications for the Core Strategy, particularly in terms of projected housing land supply (including the Strategic Housing Land Availability Assessment)?**

The City Council is of the view that the recent change to PPS3 with regard to the status of private residential gardens will have only a limited impact on projected housing land supply, while the abolition of the national minimum density requirement will have little, if any, impact on Oxford's projected housing land supply. The reasons for this assessment are contained in a separate background paper on housing which accompanies this paper.