

Oxford Core Strategy Examination

Housing Provision Background Paper

20th August 2010

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This background paper has been produced in response to the note dated 23rd 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) in relation to housing provision ahead of the resumption of hearing sessions on 14th September 2010.

THE CITY COUNCIL'S RESPONSE

A summary of the chain of reasoning behind the Council's proposed housing provision figures by reference to documents and evidence used for the preparation of the South East Plan, the SHLAA and the SHMA

Evidence in preparation for the draft South East Plan

1. 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. This working group submitted a report to Oxfordshire County Council's Cabinet which proposed that the distribution of housing across Oxfordshire should include a target of 7,000 for Oxford. This motion was agreed¹ and the details of the proposed distribution of housing across Oxfordshire was submitted to SEERA. The proposed 7,000 was based on evidence of the potential for housing in the urban area and safeguarded land in Oxford in 2005.
2. The SEERA figures for the region as a whole were based on a broad approach which sought to focus housing on those urban areas with economic potential and in need of regeneration, and to balance demographic and economic growth with infrastructure provision, environmental constraints and the realities of delivery. While broadly supportive of the draft SEPRSS's urban focus, the City Council argued at the SEPRSS Examination-in-Public (EiP) that the overall provision for the region was too low and would lead to a worsening backlog of unmet needs over the period of the Plan. The City Council also argued that the housing allocation for Central Oxfordshire should be 2,000 dwellings per annum rather than the 1,750 set out in the draft SEPRSS, and that ideally the additional

¹ *Minutes of Cabinet meeting (6th December 2005) Oxfordshire County Council*

250 dwellings per annum (5,000 over 20 years) should be built within or close to the city in the most sustainable locations.

3. Oxford was granted new Growth Point Status in 2006 and with the additional potential this offered in the West End, the SEP panel report recommended increasing Oxford's target to 8,000 dwellings². The Panel Report also recommended an urban extension of 4,000 houses to the south of Oxford, along with significant development at Bicester, Didcot and Wantage/Grove. The Secretary of State's proposed changes to the draft SEPRSS endorsed the Panel's recommendations.³.
4. At this time the City Council was preparing its Core Strategy during which it had tested a range of options for housing provision from 7,000 to 11,000+ dwellings. Housing land availability confirmed that the newly adopted SEPRSS could be met and the target of 8,000 was included within the Core Strategy proposed submission document approved by Council in August 2008.

Determining an appropriate target in the absence of the South East Plan

5. Despite the revocation of the SEPRSS, the population projections and housing need for Oxford remain extremely high and land availability remains constrained. These factors were evident throughout the production of the SEPRSS and its revocation does not alter this.
6. The City Council is being asked by the Inspector to justify retaining the 8,000 dwelling target. Population/household projections are a useful starting point for determining housing provision, but the housing needs identified are then required to be looked at alongside other factors. As in many other urban areas across the region, projected housing need in Oxford exceeds current supply and targets but in Oxford, housing land availability is the ultimate constraining factor. The city does not have large areas of derelict brownfield sites or expanses of countryside to develop into. Therefore the Council proposes to retain the existing SEPRSS target of 8,000 dwellings between 2006 and 2026 as it is considered that this represents an appropriate and justified target, which strives to meet housing need, but is achievable bearing in mind housing land availability. This is explained in further detail below.
7. In terms of need, the most recent ONS household projections show that the number of households within Oxford is expected to increase by 13,000 between 2006 and 2026⁴. These projections are due to be updated later this year. ONS has recently published 2008-based sub-national population projections. The figures for Oxfordshire have been revised downwards from the previous projections, largely because insufficient account had been taken of students moving away from Oxford after completing their studies. The latest figures show

² Paragraph 22.75, *Panel Report on the Regional Spatial Strategy for the South East* (Aug 2007) PINS

³ Page 449, *Secretary of State's Proposed Changes to the Draft Regional Spatial Strategy for the South East of England* (July 2008) GOSE

⁴ *Household Projections to 2031* (11 March 2009), Office for National Statistics

Oxford's population rising from 146,500 in 2008 to 161,200 in 2028⁵. This represents an increase of 14,700 (735 per year) over a twenty year period, albeit with a slightly different start and end date to the Core Strategy housing target.

8. The ONS projections are trend based, and it is understood they include an assumption that Oxford will have net outward migration in future years and that the city's population growth will be driven solely by a high birth rate. If in fact Oxford continues to experience net inward migration, then its population would grow faster than these projections show.
9. Whereas the ONS projections are trend based, Oxfordshire County Council produces population and household forecasts which take account of planned housing growth as well as recent trends in births, deaths and migration. The latest Oxfordshire County Council estimates for Oxford show the number of households rising by 9,570 between 2006 and 2026⁶. The city's population is projected to rise from 135,500 in 2006 to 156,600 in 2026, which is an increase of 21,100 (1,055 per year) over the same twenty year period as the Core Strategy housing target. However, these forecasts were based on the levels of housing growth recommended in the SEPRSS, and the County advises using them with caution in light of the revocation of the SEPRSS.
10. The Core Strategy Sustainability Appraisal⁷ tested an option of delivering housing to meet population growth (which was higher under the previous ONS projections as explained above). This option was considered the most sustainable in meeting social objectives, but it was less sustainable in meeting environmental objectives as there would be a greater need to develop on greenfield sites.
11. The Oxfordshire Strategic Housing Market Assessment (SHMA) modelled different scenarios, all of which showed significant shortfalls between the number of dwellings likely to be built and forecast demand. Even on the most optimistic projection, the SHMA forecasts a total shortfall of 14,225 affordable dwellings and 5,710 market dwellings (total 19,935) in Oxford in the first ten years (i.e. by 2016)⁸. Other scenarios showed much higher shortfalls. The SHMA notes that annual demand for both affordable and market housing is significantly higher in Oxford than the other districts. By years 16-20, Oxford accounts for between 65% and 80% of the County's demand for affordable housing and between 28% and 50% of the County's demand for market housing. By 2026, Oxford accounts for 83% to 89% of the County's projected shortfall in affordable housing and between 21% and 72% of the County's projected shortfall in market housing.

⁵ See *Oxfordshire Data Observatory Briefing Note: Oxfordshire's population*, (July 2010), Oxfordshire Data Observatory

⁶ *Oxfordshire population and household forecasts 2010*, (July 2010), Oxfordshire County Council

⁷ *Final Sustainability Appraisal for the Oxford Core Strategy* (Sept 2008) Oxford City Council

⁸ Shortfall figures for Oxford derived from Appendices D and E. *Oxfordshire Strategic Housing Market Assessment* (Dec 2007), Tribal Group

12. On a Countywide level, the SHMA concluded that to offset projected shortfalls, even on the best estimate, the new building programme would have to be more than twice the level recommended in the then draft SEPRSS (para 7.5.8). Furthermore, affordable housing would need to be at least 50% of this higher level of development if the need for affordable housing were to be met.
13. It is clear from the household projections and particularly the SHMA that the need for housing is higher than the 8,000 target in the former SEPRSS. If the City Council were to review its housing provision target solely based upon demographics and housing need then it would need to be increased. Even with a local target of 50% affordable housing, it should also be borne in mind that in order to deliver a certain number of affordable houses this needs to be at least matched by the number of market houses due to viability considerations.
14. To determine a realistic and achievable figure, housing need must then be compared to land availability. Development in Oxford is restricted by policy constraints, such as the Green Belt, and administrative constraints arising from the city's tightly drawn boundaries. There are also intrinsic constraints, such as extensive areas of flood plain; areas of nature conservation importance; and the city's outstanding architectural heritage. The latter constrains development in a three-dimensional sense, since the need to protect Oxford's unique skyline makes tall buildings inappropriate in some parts of the city. As a result there are not enough suitable housing sites to meet the high need identified, so increasing the target at this stage would be unrealistic and unachievable as the SHLAA indicates. Only if further opportunities in the future were identified could there be a robust case for increasing the target.
15. The latest SHLAA⁹ identifies enough sites to provide 6,352 dwellings between 2006 to 2026 without windfalls. Local Authorities are not expected to be able to identify all sites to meet their target¹⁰. When windfalls are taken into account (although not relied upon in the first 10 years), land availability rises to 9,072 dwellings, which shows that at present there would be potential to increase the target to 9,000 dwellings. However, whilst the SHLAA already takes a cautious approach to land availability in the current economic climate, the City Council considers it would be sensible to allow some leeway for an unexpected reduction in housing delivery at the current time and considers that the target of 8,000 dwellings should remain as the most appropriate and achievable target.
16. It is worth noting that the SHLAA is updated annually and each year some sites may be lost or may deliver fewer dwellings. For example, since the SHLAA Update Report 1b was published, the Travis Perkins site has been granted permission for a non-residential use. This will be reflected in the next SHLAA. However, some new sites may emerge or sites previously identified may deliver a greater number of dwellings. Clearly the nature of a rolling 5-year housing

⁹ Oxford's *Strategic Housing Land Availability Assessment Update Report 1b* (Dec 2009) Oxford City Council

¹⁰ Paragraph 55 *Planning Policy Statement 3: Housing* (June 2010) DCLG

land supply is that it can fluctuate year on year which is why it is updated annually.

17. Oxford's position with regard to the 5 year land supply is shown in the latest SHLAA¹¹ and in summary shows that, due to an oversupply in 2006/07, 2007/08 and 2008/09, this leaves 5,985 dwellings needed to meet an 8,000 target up to 2026. With 17 years from the latest SHLAA to 2026, this equates to 352 dwellings per year residual requirement. By exceeding the annualised housing target in these early years, the annual requirement needed to meet an 8,000 target has thus reduced from 400 to 352. Taking the residual requirement of 352 dwellings per year, this means the 5 year land supply target is 1,760 dwellings and the latest SHLAA shows that there is land availability for 1,903 dwellings.

How the amendment of the status of private residential gardens in terms of previously developed land affects Oxford's housing land availability

18. While PPS3 vigorously encourages development on previously developed land, it has never contained a presumption in favour of such development. PPS3 has always said and continues to say "there is no presumption that land that is previously-developed is necessarily suitable for housing development nor that the whole of the curtilage should be developed"¹². Following the recent changes, private residential gardens will not be previously developed land and so a developer cannot put forward the use of such land as a benefit weighing in favour of the development. However, local planning authorities may still approve development on garden land provided it complies with the development plan and is acceptable against other material considerations.
19. It is the City Council's view that it will consider each application on garden land on its own merits, and if it is acceptable against other material considerations may continue to grant planning permission. Core Strategy Policy CS19 will be important with regard to considering a proposal's effect on the townscape character, and the forthcoming Sites and Policies DPD is likely to include a specific policy addressing the development of garden land. In the interim, the City Council has other tools, such as policies on balance of dwellings, design etc to restrict inappropriate development of this nature. The revision to PPS3 may give the Council further ability to restrict inappropriate developments.
20. During the past 5 years, an average of 10.9% of all dwellings permitted in Oxford were on residential curtilages. This is an important source of housing, although Oxford does not rely on it as heavily as some local authorities. It is possible that there will be a reduction in the number of dwellings permitted on garden land in Oxford in future, although it is anticipated that there will continue to be a supply of housing from this source because most domestic gardens will be within areas on the Proposals Map where residential development is acceptable in principle,

¹¹ *Strategic Housing Land Availability Assessment Update Report 1b* (Dec 2009) Oxford City Council

¹² Paragraph 41 *Planning Policy Statement 3: Housing*, (June 2010), DCLG

and there are likely to be cases where such development has little or no impact on character and amenity (such as redevelopment/subdivision of existing properties, infill development on side gardens, redevelopment of existing garages/ curtilage buildings etc.).

21. Sites on garden land are usually small and haven't been identified in the SHLAA unless they are already going through the planning application process. We consider there are only seven identified sites in the latest SHLAA update (December 2009) that could potentially be affected by the change to the status of garden land. However, four of these (145-146 Magdalen Road; 485-487 Marston Road; Rear of 25, 27 and 29 Adderbury Road; and St Ebba's) have extant permissions dating from 2008 or 2009, and would be unaffected if those permissions are implemented. The remaining three sites (8 Headley Way, 86-88 Old Road, and rear of 40-47 Juxon Street) are sites where permission had been refused but the principle of development was considered acceptable. These sites were assessed as having a total capacity of 28 dwellings, but that was discounted by 45% so only 15 dwellings from these sites were listed in the SHLAA as deliverable.
22. The vast majority of garden land development will therefore be classed as windfalls. The SHLAA estimates that windfalls would come forward at a rate of 170 per year¹³ but in fact only an average of 97 windfall dwellings are actually required per year to meet the target¹⁴. This gives a comfortable cushion for any possible reduction in garden land sites or other windfall sites for whatever reason.

How the abolition of the minimum density requirements in PPS3 affects Oxford's housing land availability

23. The Oxford Local Plan has a minimum density of 40 dwellings per hectare (Policy CP.6) and this will continue to be applied to planning applications. In addition, the adopted Balance of Dwellings SPD seeks particular mixes of dwellings, which influences the densities achieved. Due to the scarcity of land, the City Council seeks to make the best and most efficient use of land. Most residential development within the built-up area occurs, as a matter of course, at much higher densities than the previous national minimum of 30 dwellings per hectare. For instance, sites with a good mix of houses, flats and dwelling sizes tend to achieve around 50-60 dwellings per hectare, with sites in the City and district centres often achieving higher densities. It is not considered that the removal of the minimum density in PPS3 will affect the level of housing delivery within Oxford.

¹³ Paragraph 10.24 Oxford's *Strategic Housing Land Availability Assessment Update Report 1b* (Dec 2009) Oxford City Council

¹⁴ Paragraph 10.38 Oxford's *Strategic Housing Land Availability Assessment Update Report 1b* (Dec 2009) Oxford City Council