

Housing needs and supply

1. Introduction and purpose of this paper

This background paper supplements the relevant background papers that were published at the Issues stage of consultation in 2016.

For clarity, the 2016 papers have not been reproduced here but should be read alongside the 2017 papers, particularly the three background papers related to housing:

- Housing affordability and affordable housing
- Housing needs and supply, and
- Housing types and sizes.

The purpose of the 2017 background papers is to update relevant monitoring data (eg to include the 2015/16 data that wasn't previously available), to set out any changes in national policy since 2016, and to explain new evidence or studies that has been undertaken.

2. Update to housing-related evidence base and studies

Housing and Economic Land Availability Assessment, 2016

The Housing and Economic Land Availability Assessment (HELAA, 2016) was in progress at the Issues consultation stage and completed in autumn 2016. This supersedes the Strategic Housing Land Availability Assessment (SHLAA) of 2014, to provide the latest assessment of supply of land for housing, and for economic uses. The HELAA as well as considering housing land also considers economic land to reflect current national guidance and best practice.

The HELAA does not allocate land for residential development; it simply identifies sites with development potential and which are considered to be deliverable during the plan period (the 20 year period to 2036). The HELAA assesses sites with potential to deliver five or more residential units, or economic uses over 500 m² including business (B1), industrial (B2/B8) and other uses including community and leisure.

In total the assessment identifies sites that are suitable, available, and achievable to deliver potentially 6,356 homes in the period 2016-2036. In addition there is an estimated windfall of 60 dwellings per year (excluding the first three years to avoid double counting), totalling 1020 over 17 years, and small site commitments of 135 units¹. So the overall total housing supply identified from HELAA sites, windfall and commitments is 7,511 additional new homes for the period 2016-2036.

For comparison purposes only, the capacity has also been calculated for the period 2011-2031 which is the SHMA period. That calculation, which includes developments completed

¹ As at 31st March 2016

(built out) in the five year period 2011-2016 is 8,484 units. The figure is lower in the 2016-36 period for a number of reasons:

- Largely because the timeline has been rolled forward by five years and it is less likely that sites will be identified in the 15-20 year period;
- It also excludes the five years' worth of housing completions (1,371) between 2011-2016, that are included in the 2011-2031 calculation; and
- There is also a significant drop in the windfall rate assumptions. This is as a result of changes in the methodology to align with national guidance and also an observed downward trend in windfall over the last three years. The methodology was changed to exclude housing coming forward on garden land in the windfall allowance to align with NPPF definition of windfall, and also to lower the site size threshold to five units from 10 units, to align with national guidance, meaning that more sites are being identified upfront rather than coming forward as windfalls. (The SHLAA only identified sites of 10 or more dwellings but the HELAA goes down to sites of 5 units, thus more sites are identified and unidentified windfalls are accordingly less).

The HELAA considers the supply of 7,511 homes to be a *maximum* that could be achieved because of the following considerations and assumptions in the study:

- The capacity identified includes sites currently designated as Green Belt which would be highly contentious and will need to be reviewed through the Local Plan 2036 process, exceptional circumstances test, and Examination in order to be allocated for housing
- Environmental bodies (including Natural England) have commented that the site assessments do not currently take account of policy requirements such as provision of SUDs, renewable energy, or moderating density on sites adjoining conservation areas or heritage assets. These elements may impact on final capacity that could be achieved; and
- Sites with an element of FZ3b, 3a or 2 or any site over 1ha will require a more detailed site-specific Flood Risk Assessment at later stages, which may impact on capacity. Any development proposals in FZ3a will also need to successfully pass the Sequential and Exceptions tests set out in national policy

The next section of this paper explains the policy approaches that are being explored through the Local Plan process to try and increase the capacity figure.

Oxfordshire Gypsy, Traveller, and Travelling Showpeople Accommodation Assessment (ORS, 2017)

A new Gypsy, Traveller, and Travelling Showpeople Accommodation Assessment (GTAA) has been undertaken to ensure the assessment of accommodation needs is up to date, covers the plan period to 2036, and is compliant with national policy set out in the Planning Policy for Traveller Sites². The study supersedes the previous 2014 study.

The study was commissioned jointly with neighbouring authorities Cherwell, South Oxfordshire and Vale of White Horse. West Oxfordshire had undertaken an assessment

² Published August 2015, with a significant change to the definition of Travellers for planning purposes

earlier in the year, so those results were also incorporated into the assessment (but not updated) in order to present a county-wide assessment.

The assessment identifies no current or future need for additional pitches for Gypsy or Traveller households, and no need for any additional plots for Travelling Showpeople households, within Oxford City during the plan period. As such, the preferred approach is not to make any site allocations but to provide a criteria policy to assess proposals should they arise in future.

There is currently also draft national guidance about incorporating an assessment of needs for boat dwellers into future GTAAs. As this guidance is still in draft form and there is a lack of clarity about the methodology recommended, then it is intended that this assessment will be carried out later in 2017.

Housing delivery monitoring updates for 2015/16

The previous background paper presented the monitoring data for housing supply up to the period 2014/15. Since then the monitoring data for 2015/16 has been published in the Annual Monitoring Report (AMR), and is reproduced here to show the latest position.

Year	Dwellings Completed (net)
2006/07	821
2007/08	529
2008/09	665
2009/10	257
2010/11	200
2011/12	228
2012/13	213
2013/14	215*
2014/15	332*
2015/16	383*
Total:	3,843

Table 8: Net additional dwellings completed since the start of the Core Strategy period

Year	Dwellings permitted (net)
2006/07	501
2007/08	653
2008/09	348
2009/10	283
2010/11	148
2011/12	235
2012/13	102
2013/14	1,113
2014/15	184
2015/16	855
Total:	4,422

Table 9: Net additional C3 dwellings permitted since the start of the Core Strategy period

*note total completions for the year 2013/14 and later include C3 residential dwellings plus a dwelling equivalent figure for C2 student accommodation and care homes, to reflect changes introduced in Planning Practice guidance in 2014.

Taking into account residential permissions and completions at 31 March 2016, against the housing delivery target in the Core Strategy of 8,000 homes by 2026, this gives a housing land supply of 6.3 years.

3. Preferred policy approaches to enhance housing land supply in Oxford

This section sets out the different policy approaches that are being explored through the Local Plan 2036 with the intention of enhancing the housing land supply in Oxford and the number of sites for residential uses.

Many of these policy approaches are not easy options and the potential sustainability balances need to be carefully considered if they are taken forward. They include reviewing policy positions and sites which have previously been protected and defended, not only in

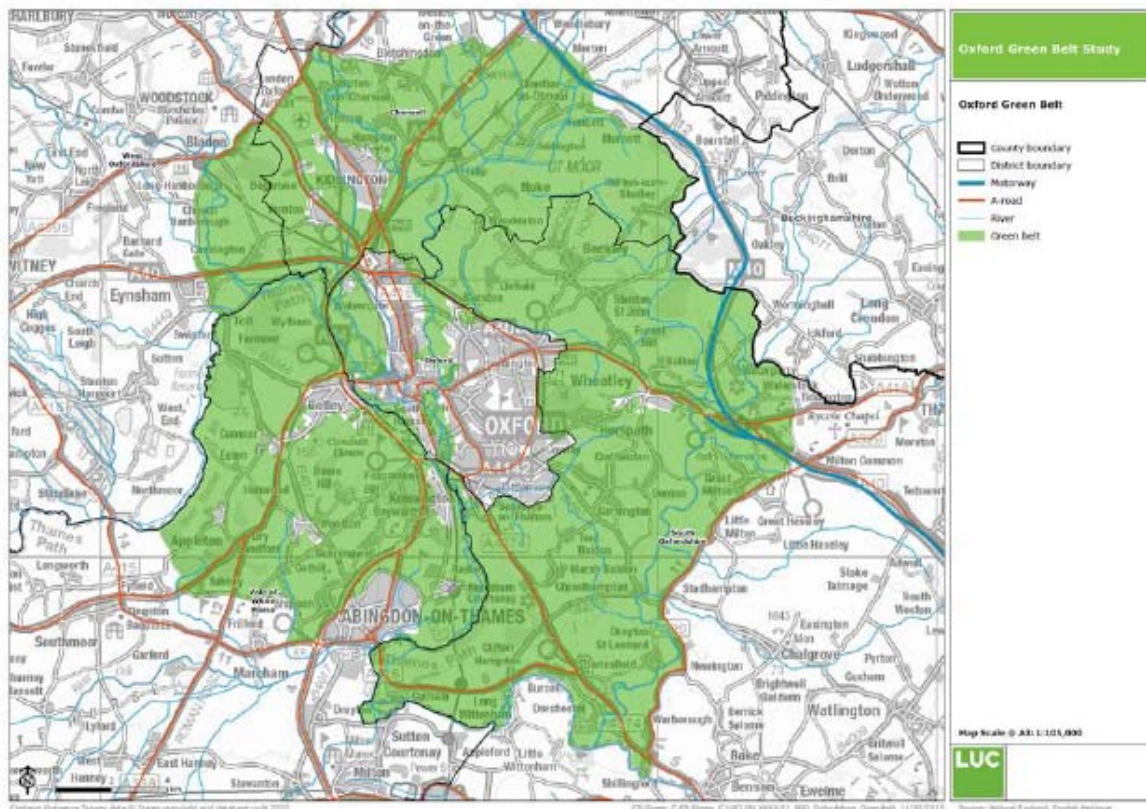
former Local Plans but also at planning appeals. However it is also recognised that the housing crisis in Oxford is so extreme that a step change is needed, and it is necessary to explore all reasonable options to address Oxford’s housing needs, in order to have a sound plan. The evidence, sustainability, and other considerations will then need to be weighed up to inform the most appropriate overall plan strategy for the Local Plan 2036.

a) Releasing sites in the Green Belt for housing

Also see *Background Paper Green spaces, biodiversity, and open air sports (2016)*, and *Oxford City Green Belt Report (LUC, 2017)*.

Expansion of Oxford around its edges is highly constrained by the Oxford Green Belt which encircles the city. There is also a small amount of the Green Belt which falls within the Oxford administrative area. This is in mainly in four areas of Oxford: Marston and the Marston Gap, Port Meadow, Osney/Botley, and a smaller amount at North Oxford/Wolvercote, and by Redbridge to the south.

Figure 1 Oxford Green Belt and local authority boundaries, reproduced from Oxford Green Belt Study (LUC, 2015)



Green Belt is a planning policy tool, designed to prevent the spread of development and coalescence of urban areas, so it is about the location rather than its landscape quality or recreational benefits. It is different to other types of ‘green’ designations such as Sites of Special Scientific Interest (SSSIs) or Special Areas of Conservation (SACs) which are intrinsic and environmental designations set at national or international level. Nonetheless national policy still gives strong protection to Green Belt and sets out that Green Belt boundaries should only be altered in *exceptional* circumstances, and that review can only be done via

the Local Plan process. The White Paper *Fixing Our Broken Housing Market* (2017) goes on to propose that local authorities should only alter Green Belt boundaries after they have “examined fully all other reasonable options for meeting their identified development requirements”. In particular giving consideration to suitable brownfield sites, estate regeneration, underused and public sector land, and whether development needs can be met by neighbouring authorities, in line with NPPF (paragraph 84).

The City Council believes that the housing needs of Oxford to support economic growth demonstrate exceptional circumstances. The City council has historically taken a pragmatic approach to development in the Green Belt, and recently released a parcel of Green Belt to help bring forward the strategic development site at Northern Gateway through the Northern Gateway Area Action Plan (2015).

The Green Belt Study (2017) by independent consultants LUC, assesses all of the Green Belt sites within Oxford which are considered to be deliverable (ie with developer interest) and without insurmountable environmental constraints such as SSSI or flood zone 3b. LUC also produced the Green Belt assessment commissioned jointly via the Oxfordshire Growth Board (2015) and the Green Belt assessment for the Cherwell Local Plan Partial Review (2017). Using LUC for the Study of Green Belt within Oxford’s administrative boundary therefore ensured a consistent approach to the methodology and assumptions applied.

The study assesses each site (where applicable breaking the site down into smaller parcels) against the five purposes of the Green Belt (as set out in NPPF paragraph 80), to conclude a potential “harm rating” of developing the site for residential uses. The rating system ranges from “high” impact to “low” impact with graduations in between. As all of the sites are performing a Green Belt function, release of any Green Belt sites will have a degree of harm. In considering potential releases from the Green Belt through the Local Plan review, the harm needs to be balanced with the other sustainability factors and the exceptional need for housing.

On balance, the proposed policy approach in the Local Plan is to exclude from the site allocations process any sites or parcels which would have a “high” harm or “moderate high” harm impact. Sites with a “low” to “moderate” impact will go forward to be considered fully in the site allocations process. Some may ultimately be rejected for other reasons (such as deliverability) but the Green Belt designation alone would not prevent them from being considered for a site allocation.

New site allocations are therefore being considered further for:

- St Frideswide Farm (#107);
- Cherwell Valley/Old Marston: Parcel closer to Marston (#112a-1);
- Old Marston: Parcel adjoining Cumberledge Close/Mill Lane (#112b-1);
- East of Redbridge Park and Ride (#113);
- Marston Paddock (#114d);
- Park Farm, Marston (# 462);
- Pear Tree Farm (#590); and

- St Catherine's College (#592³).

Parcel 112b-4 was also assessed as “moderate” in terms of Green Belt impact however ultimately the landowner is not willing to develop the site, so it is not considered to be deliverable.

For more information see Preferred Options assessments for:

- *Green Belt*

b) Releasing open spaces with the least environmental or amenity value to be developed for housing

Also see Background Paper Green spaces, biodiversity, and open air sports (2016), and Oxford Green Infrastructure Assessment (City Council, 2017).

The Green Infrastructure study (2017) assesses green spaces across Oxford for their Green Infrastructure (GI) value. This includes parks and gardens, amenity space, natural and semi-natural spaces, historic sites, functional green spaces (such as floodplain) and sites of importance to nature conservation. This helps to consider the current and future roles of Oxford's green and blue (water) spaces to make the best use of Oxford's limited land by thinking about multi-functionality of those spaces⁴.

Instead of considering a site in terms of its primary function, for example a sports field, we will also be able to recognise and potentially enhance other important social, environmental and economic functions it may have such as wildlife habitats, managing flood risk, contribution to historic views and so on. By thinking about green and blue spaces not just as individual sites but also as part of a wider network, we can maximise the benefits they provide in Oxford.

By taking this approach of seeking to maximise benefits of green and blue spaces, it provides much clearer reasons for protecting the areas with strong GI benefits in terms of ensuring that Oxford is a healthy, sustainable, and attractive place. This then supports a position where the city council can also consider releasing for development those areas which provide fewer benefits either individually or to the wider network of GI.

The proposed policy approach is therefore to protect and retain as green or blue spaces, those areas which are identified in the 2017 study as having a clear GI function. Whilst others, which have been previously protected under current open space policies but that now do not score well for GI functions, are being considered and tested for site allocations for residential development. This is consistent with the NPPF position of allocating land with the least environmental or amenity values.

The other main form of green spaces in Oxford is private residential gardens. Many gardens in Oxford are relatively large, and housing on such sites can make efficient use of land and contribute to the housing supply in Oxford. The proposed policy approach is that with good

³ Typo in Green Belt study lists St Catherine's College site as 562 rather than 592

⁴ See Green Infrastructure Study 2017, for more information

design, development on residential gardens would be supported in principle subject to good design and consideration against other policies

These policy approaches together means a proactive approach to critically review green spaces and identify development opportunities whilst prioritising protection of those which deliver the most benefits for Oxford.

For more information see Preferred Options assessments for:

- *Managing the overall amount of public open space in Oxford*
- *Creating a green infrastructure policy designation*
- *Protecting and promoting watercourses – making more of blue infrastructure*

c) Developing housing on Previously Developed Land in Flood Zone 3b

Also see Background Paper Flooding, water quality, and water resources (2016), and Oxford Strategic Flood Risk Assessment, Level 1 (WHS, 2016).

The Strategic Flood Risk Assessment (SFRA) level 1 updates the mapping for areas of flood risk in Oxford to reflect latest climate change forecasts and other data changes. There are already large areas of Oxford in high flood risk zones from the rivers, and this latest update indicates that the extent of the high risk areas (flood zone 3b, functional flood plain) has extended slightly in some parts of Oxford.

This presents particular challenges in the west of Oxford in the areas along Botley Road and Abingdon Road, which are already heavily developed and have large numbers of homes. If those areas were not in flood zone 3b then they could offer brownfield development opportunities and intensification of uses, to help the supply of homes in Oxford.

In response to this, the City Council has worked with the Environment Agency to develop a pragmatic response to development in those areas. In response to the local circumstances in Oxford, brownfield sites in FZ3b in those areas will now be treated differently to greenfield sites in FZ3b, rather than the blanket approach that is set out in national policy. This recognises that where a site is already developed for residential or employment uses in those areas, there may be scope to re-provide a higher quality or make more efficient use of the site. Importantly, the approach does not seek to bring forward new, undeveloped (greenfield) sites in high flood risk areas. The policy objective is about ensuring best use of existing developed sites and delivering sustainable communities.

The intention of this new flood zone sub-category and variation to national policy is that residential and employment uses on existing sites are not sterilised from being used more efficiently and more intensively. An example of this could be the opportunity for major redevelopment on Osney Mead, or the low density retail areas along Botley Road which currently include large areas of surface car parking and single storey retail units.

For more information see Preferred Options assessments for:

- Making use of previously developed land, and
- Flood risk zones.

d) Provide the opportunity to develop housing on the least important/efficient employment sites

Also see Background Paper Employment and Economy (2016).

The Employment Land Assessment (ELA) (2016) reviewed employment land and premises (B1, B2, B8) in terms of current performance and ability to meet requirements in future. This identified that the vast majority of employment sites perform well and are likely to be required in future to meet growing demand. As such, there were very few current employment sites identified through the study which should be released for other uses.

The approach to meeting future employment needs is to meet the identified needs for employment floor space by intensifying use of existing employment sites. The approach also seeks to make most efficient use of scarce sites in Oxford by focussing use of employment sites for those uses which are linked to the knowledge economy and are essential to be located in Oxford, whilst low density uses which are not essential to be located in Oxford could be encouraged to modernise into other employment uses.

The emerging Local Plan approach therefore takes a cascade approach where the most important employment sites are protected with the least important or least efficient (e/g/ B8) having more scope for change to housing. In particular this could see development opportunities in the areas of lower-density employment areas, such as in east Oxford around Garsington Road and Horspath Road areas where there is a concentration of B8 warehousing.

For more information see Preferred Options assessments for:

- *Protecting category 1 employment sites*
- *Protecting category 2 employment sites*
- *Making best use of category 3 employment sites, and*
- *Controlling low density B8 uses*

e) Introducing more flexibility for higher densities and increased heights in housing developments

Also see Background Paper Design, landscape, townscape and historic environment (2016).

Much of Oxford's character is defined by its unique built environment. The iconic skyline and architecture create a world famous urban environment. The existing policies seek to protect and conserve the historic environment however Oxford also needs to continue to develop. There is a risk that overly-prescriptive design criteria could stifle innovation or result in repetitive or monotonous design that does not take into account differences in character in different parts of Oxford. It is important that design responds to Oxford's character and heritage.

The preferred policy approach is to focus on high quality design, quality living environment, and responding to the site context, rather than blanket policies. This will support a more

flexible approach towards issues like building heights and density, which could help to accommodate more efficient and intensified use of housing and employment sites, especially in the City Centre where the current policies are most restrictive.

For more information see Preferred Options assessments for:

- *Density and efficient use of land*
- *Responding to Oxford's character and site context*
- *Creating an integrated high quality public realm and setting of buildings*
- *High quality design of new buildings*
- *Building heights*
- *High buildings, view cones and high building area*

f) Removing the requirement to include larger homes on smaller development sites

Also see Background Paper Housing types and sizes (2016).

Generally the mix of dwelling sizes in Oxford differs from the surrounding more rural areas. The mix in Oxford tends to be higher density development and typically smaller homes, with a higher than average proportion of 1 and 2 bed properties, reflecting the urban nature of Oxford.

A strong supply of smaller units has in the past however led to fewer family sized dwellings and a loss of family dwellings through conversions, so the current policies seek to steer the mix of house sizes to focus on family sized dwellings (3+ bedrooms).

Despite this policy there has still been a trend towards provision of smaller houses and flats, in response to market factors and high land values, as well as the fact that many developments in Oxford are either conversions or on small sites which lend themselves towards smaller-sized residential units. Furthermore many sites fall below the current policy threshold, or are exempted now following changes to the Permitted Development Rights or Prior Approval mechanism.

In response to this, the preferred policy approach is to raise the threshold at which a policy on mix of dwelling sizes applies, to focus only on the larger strategic sites of, for example, 25+ units. This means that for sites below the threshold, no policy about mix of dwelling sizes would apply. This is expected to result in a greater number of 1-2 bed units (and consequently fewer family-sized homes,) which will overall support delivery of a greater number of residential dwellings, denser developments, and more intensive use of sites for residential uses.

For more information see Preferred Options assessments for:

- *Mix of dwelling sizes to maintain and deliver balanced communities ('balance of dwellings')*
- *Thresholds for mix of dwelling sizes ('balance of dwellings')*

4. Leaving no stone unturned to find new sites for housing

To support preparation of the plan and ensure that all reasonable site options have been considered in the assessment of site allocations, landowners, agents and developers have been contacted at various stages to understand the latest position about their development intentions for sites. This includes specific call for sites for the SHLAA (2015), HELAA (Feb and Aug 2016), and local plan (Dec/Jan 2017), as well as a permanent call for sites on the council website during this time.

There are also officer-identified sites such as previous site allocations, where the developer intentions are now unclear. For those sites, which are in acceptable in principle for residential uses but which the deliverability of is uncertain, those sites will continue to be taken forward for further consideration as site allocations and ongoing efforts will be made to establish the landowner intentions and encourage delivery of the site.

5. Update on addressing Oxford unmet housing needs via work of the Oxfordshire Growth Board

Despite all of the positive policy approaches described above to increase the housing land supply in Oxford, there is still going to be a substantial element of Oxford’s housing need which cannot be met in Oxford.

In the last 12 months, unprecedented progress has been made in the work to address Oxford’s unmet housing needs via the work of the Oxfordshire Growth Board:

- In September 2016, the Growth Board agreed a ‘working assumption’ unmet need figure of 15,000 for the period 2011-2031. The Board also agreed an apportionment split of the 15,000 between the five local authorities as:

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

- To inform the apportionment, there is also now a substantial shared evidence base of technical studies overseen by the Growth Board, which all local authority partners were involved with and agreed;
- Since the Growth Board agreement, all of the Oxfordshire authorities have started to incorporate provision for Oxford’s unmet into their local plans: West Oxfordshire has made modifications to its submitted local plan, to deliver its full apportionment of 2,750 through allocating two new development sites at Eynsham; Cherwell has consulted on preferred options for sites to deliver its full apportionment of 4,400, and is expected to be publishing the final proposals in Jun 2017; Vale of White Horse has not identified sites but has added the full apportionment figure (2,200) to its housing target in the latest consultation document (March 2017); and South Oxfordshire in the recent consultation

document (March 2017) has not identified sites but has added to its housing target a figure of 3,750 which is lower than the agreed apportionment; and

- Work through the Growth Board is continuing to deliver the apportionment figures and further shared evidence.

6. Next steps for the Local Plan 2036 and further work in relation to housing supply

Following the Preferred Options consultation there will be further technical work undertaken to inform the final policies and site allocations.

This will include:

- Assessing any additional sites for housing that are submitted during the consultation;
- Confirming the intentions of landowners where it is unclear;
- Carry out more detailed assessment of the capacity and viability of sites, and site-specific constraints;
- Further Sustainability Appraisal of sites and policies;
- Updating the 2016 HELAA to include all of the additional sites, latest information about landowner intention, and to align the assessment with the emerging Local Plan 2036 policies (eg assumptions about housing mix or Green Belt release). This will provide an updated position about housing land supply; and
- Update the evidence about housing need to cover the full plan period to 2036, and to reflect the latest ONS demographic data. The current SHMA runs only until 2031, and there may also be a new methodology published by Government about calculating housing need, as referenced in the Housing White Paper, however the timescales for this are still unclear.

Alongside this, the work with adjoining local authorities to address Oxford's unmet housing needs will also be continuing overseen by the Oxfordshire Growth Board. This will include:

- Ongoing work to adopt local plans with site allocations to deliver the full unmet need apportionment (as agreed by Growth Board);
- Preparation of supplementary policies and/or masterplans for strategic sites, such as the Area Action Plan to guide the development at Eynsham Garden Village, or design guides;
- Formal agreement of joint processes to manage the allocations of affordable housing across local authority boundaries; and
- Further joint evidence, including completion of the Oxfordshire Infrastructure Assessment.