

EXAMINATION OF THE OXFORD LOCAL PLAN 2036: ISSUES CONCERNING ASSESSMENT OF AFFORDABLE HOUSING
Statement from the Cherwell Development Watch Alliance (CDWA) prepared by Opinion Research Services (ORS)

CDWA commissioned ORS to review the 2014 SHMA and 2018 OAN Update and the overall conclusions for OAN and affordable housing need. ORS was not asked to undertake an alternative assessment of affordable housing need.

The ORS review set out standard practice and identified problems in the 2018 Update that led to assessed need being too high (ORS paras 1.38-1.59). The issues identified at each stage are set out below (with references to the ORS November 2019 Report). This is then followed by ORS' conclusion about their likely combined impact.

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| <p>ISSUE A Existing Need at Base Date (Backlog)</p> | <p>The 2018 Update estimate of 2,666 and 2014 SHMA estimate of 2,033 both appear reasonable. As ORS explained at the hearing, the increase of 633 over 4 years (166 pa) is new need that wasn't met and as the increase in affordable housing stock was 14 dpa, the net new need (after taking account of relets) must have totalled 180 pa.</p> <p>This 180 dpa can be compared to the 538 dpa net new need identified by GLH in 2018.¹ There is a clear disconnect. Either the existing need or new need calculations in the 2018 Update must be wrong. The existing need identified appears reasonable; but the new need appears much too high.</p> |
| <p>ISSUE B Newly Forming Households (including in-migrants)</p> | <p>This is based on a total of 1,300 households that are projected to form annually in Oxford City. Some will be provided affordable housing, others will have housing benefit, but it is unrealistic to say half of the households that <u>actually form</u> can't afford housing. In areas such as Buckinghamshire and Bedfordshire, ORS has typically found rates of 20-35% (ORS para.1.49).</p> <p>GLH has confirmed this includes migrants moving to Oxford, with affordability tested against local incomes for Oxford; but the income profile for migrants will be different, so the calculation is wrong (ORS para 1.51). Migrants can normally afford, as housing costs will influence their choices.</p> |
| <p>ISSUE C Existing Households Falling into and out of Need</p> | <p>The 2018 Update considers households who fall into need but takes no account of those that climb out of need. Household circumstances may sometimes get worse, but they can also get better.</p> <p>GLH/OCC have relied on PPG to justify their approach. However, affordable housing is now covered by new PPG²: which makes no reference to counting households falling into need.</p> <p>ORS considers that both groups should be counted or neither. It is irrational to count one group without proper regard to the other (ORS para 1.56). As the two groups tend to be equal in number, accounting for both would reduce need by 331 dpa.</p> |
| <p>ISSUE D Migrant Households</p> | <p>The demographic assessment of overall need includes migrants, but they are only partly counted in the affordable housing need; this cannot be sound (ORS para 1.52). New households include in-migrants (under 45) and relets count out-migrants leaving affordable housing, but not other tenures. As both the existing need and new need include households living in private rent who will not need affordable housing after they move away, these out-migrants must also be accounted for.</p> |
| <p>ISSUE E Re-let Allowance</p> | <p>Re-lets only allow for households who vacate affordable housing. This misses households (i) counted within the need (either the backlog or new households) and who no longer need housing in Oxford due to circumstances improving or (ii) migrating away without ever occupying affordable housing (ORS table below para 1.58).</p> |

To undertake a robust assessment of the impact of each separate issue would need ORS to prepare its own analysis. However, Issue A shows an inconsistency between figures in the 2018 Update: either the existing need or new need calculation must be wrong. The points raised at Issues B, C, D and E above all result in the new need being too high. Using the GLH figures, **ORS estimates affordable housing need in Oxford to be between 320 dpa and 347 dpa.**

- » 320 dpa comprises 140 dpa to address existing need (a total of 2,666 dwellings over 19 years) plus the net new need of 180 dpa identified by the growth in existing need between the 2014 SHMA and 2018 Update.
- » 347 dpa takes the GLH estimate of 678 dpa less 331 dpa, on the basis that households climbing out of need are likely to numerically offset those counted as falling into need.

Of the two figures, we would consider 320 dpa to be the most robust as this is wholly derived from the more reliable assessments of existing need, whereas parts of the inaccurate new need calculations still inform the 347 dpa figure; though it is reassuring that the two figures are mutually supportive in terms of their overall scale. We consider both more reliable than the GLH figure of 678 dpa, which cannot be right given the disconnect between new and existing need. The BW figure of 950 dpa is also wrong: aside from the problems with the GLH calculation on which it's based, the need for supported housing has been included so there is no justification to discount supported housing re-lets.

Finally, it is worth noting that equally high affordable housing need assessments have not been at issue elsewhere as no other LPA has relied on them to determine their OAN using an arithmetic multiplier (ORS Report paras 1.64-1.66).

¹ 669 newly forming households plus 331 households falling into need minus 462 affordable housing relets

² "Housing needs of different groups" (July 2019)