

EXAMINATION OF OXFORD CITY LOCAL PLAN 2040

MATTER 3 HOUSING NEED AND THE HOUSING REQUIREMENT

JOINT MATTER STATEMENT BY
SOUTH OXFORDSHIRE DISTRICT COUNCIL &
VALE OF WHITE HORSE DISTRICT COUNCIL

MAY 2024

Introduction

This statement sets out both Councils response in relation to the Inspectors' Matter 3 questions regarding housing need and housing requirement.

The HENA and housing need

1. Why does the HENA seek to assess the housing need for Oxfordshire and all of the individual authorities? Is this justified?

This is not justified.

The HENA was commissioned as an Oxfordshire assessment, neither promoted in line with the NPPF, nor supported by other districts included, and without prior consultation or engagement.

Oxford can't determine whether exceptional circumstances exist to uplift from the standard method for other authorities in Oxfordshire, therefore the HENA methodology and conclusions aren't justified.

Oxford attempted to explain that housing need for Oxfordshire was pursued rather than the authority area to which the Plan(s) relates, in their Regulation 18 consultation, paragraphs 2.5 to 2.12 *"The HENA scenarios calculate housing need at an Oxfordshire level. This is because Oxfordshire operates as a Functional Economic Market Area (FEMA) and Housing Market Area (HMA)"*. S&V responded that the NPPF no longer recognises Housing Market Areas as the basis for calculating housing need since the standard method was introduced, and that there's no guidance in the NPPG about the relationship between housing need calculations and 'Functional Economic Market Areas'. The approach remains unjustified.

The HENA doesn't identify the housing need for Oxford City but instead calculates a countywide figure for Oxfordshire that is apportioned between the local areas using an inappropriate and unjustified approach without any discussion with neighbouring districts. This standard method housing need figure (762 dpa) is the only number in the HENA that relates directly to Oxford's local authority area. Every other figure seeks to apportion a countywide figure, for which there is no justification.

There would be a different outcome if the HENA methodology on population projections had been assessed typically. By the time of the 2021 census results, it was clear Oxford had a slower rate of growth than what was projected by the 2014-based household projections. If demographic projection scenarios were prepared solely for Oxford alone, housing need would be lower, but the HENA presents figures for Oxfordshire as a whole, which has the effect of inflating Oxford's need.

2. How does the HENA arrive at the four scenarios for housing need? What evidence sources and assumptions are used? Are these appropriate and justified?

S&V commissioned Opinion Research Services (ORS) to prepare an independent review “the review” of the HENA¹ which was submitted with the Councils’ responses to the Regulation 19 consultation.

Paragraphs 7-14 of the review summarise how the HENA arrives at the four scenarios. The review also considers the evidence sources and assumptions that are used in detail, and concludes that many of the HENA assumptions are neither appropriate nor justified.

To summarise the four scenarios:

“**Standard Method**” identifies a housing need of 762 dpa for Oxford City using the calculation set out in national planning guidance.

“**Census Adjusted**” uses the standard method calculation but adopts bespoke inputs at Step 1 that rely on a sequence of inappropriate adjustments (Review paragraphs 49-81). The result is a much higher rate of growth across the whole county. However, applying the same approach just to Oxford City would reduce growth resulting in lower housing need (Review paragraphs 82-83).

“**CE Baseline**” seeks to align housing need with forecast employment growth, but the analysis is flawed. Compared with the previous Oxfordshire Growth Needs Assessment, employment growth is c.13,000 jobs lower whereas housing need is c.5,500 dwellings higher (review paragraphs 15-23). This is due to extremely implausible economic activity rates (review paragraphs 27-37) and a policy-on approach to commuting (review paragraphs 38-44). Evidently fewer jobs do not justify more homes: the conclusions are wrong, and the outputs wholly inappropriate for assessing housing need.

“**Economic Development-led**” considers a higher rate of employment growth, but these outputs are also inappropriate due to the same implausible assumptions.

The Government’s standard method calculation sets out the minimum local housing need for every local authority area, unless there are exceptional circumstances demonstrated which justify an alternative approach. No exceptional circumstances

¹ [Review of Oxford City and Cherwell District Housing and Economic Needs Assessment for Oxfordshire](#)
December 2023, ORS

have been demonstrated for Oxford or any of the other Oxfordshire local authority areas.

This standard method housing need figure (762 dpa) should inform the Plan and any discussion of unmet need. This broadly aligns with the CE jobs forecast without any uplift (review paragraphs 35-37, 98). It is also the only number in the HENA that relates directly to Oxford's local authority area. Every other figure seeks to apportion a countywide figure, for which there is no justification (review paragraphs 45-48).

3. What is the basis for choosing the CE Baseline scenario and departing from the standard method scenario? Is this justified?

There is no justification for departing from the standard method scenario.

The HENA does not present any exceptional circumstances which justify an alternative approach to assessing housing need, as explicitly required by the Framework. BGP.001, which was produced after the reg. 19 plan had been published, latterly included some claims for exceptional circumstances, and the ORS report (paragraphs 56-90) refutes the methodological-based exceptional circumstances raised about the 2014 population projections and the household formation rates.

The housing need identified by the CE Baseline scenario is based on flawed analysis (see Q2 response).

S&V objected to the use of this scenario because at that time Oxford were claiming that their disagreement with the standard method calculation was of itself an exceptional circumstance for departing from it.

The choice of using an economic baseline trend scenario to inform housing need as an alternative to the standard method has not been justified, especially because Reg 18 claims of exceptional circumstances were only based on affordability concerns in Oxford, issues with the standard method calculation itself and the prospect of the NPPF changes including more clarity about what circumstances Oxford could use. Oxford have put forward a two-paragraph economic-based exceptional circumstance case in an edited version of BGP.001 (paragraphs 5.19-5.20) which we do not consider to be a justified exceptional circumstance.

4. What is the basis for choosing the apportionment between authorities based on the distribution of forecast jobs? Is this justified?

No, it is not justified. It is based on an inappropriate housing need figure for the county that has been apportioned using flawed assumptions.

The HENA should not have been a countywide assessment, and the analysis should have focussed on Oxford City. There would then have been no need for any apportionment.

Apportioning housing need based on the distribution of forecast jobs was simplistic and unjustified. It had no regard for the demographic characteristics of the individual local areas, and fundamentally ignored well-established functional relationships in terms of where people live and work (Review paragraphs 46).

The proposed approach assumes that Oxford's jobs growth would need every new worker to live in the City (with none commuting from elsewhere) and also assumes that housing is needed for workers that currently commute from outside the county, distributed pro-rata to the forecast jobs growth (Review paragraphs 38-44). This would result in significant changes to commuting patterns which have not been modelled or discussed (let alone agreed) with neighbouring districts. Furthermore, the consequence is to identify a level of housing need that Oxford City cannot deliver, largely due to the flawed assumptions.

The approach is wholly unjustified, and its conclusions are wrong.

Capacity within Oxford City and the resultant housing requirement

6. How has the capacity to accommodate housing within Oxford City been assessed? Has the process been sufficiently thorough and robust? Could the capacity estimate be increased by altering assumptions or policy approaches? If so, what effect would this have?

The HELAA assessment methodology is inadequate, the process has not been thorough and robust, and the capacity estimate can be significantly increased.

This issue goes to both duty to cooperate (see Matter 2 statement) and soundness.

S&V commissioned Chilmark consultants to prepare a report scrutinising the HELAA capacity of Oxford, entitled Capacity Assessment of Oxford City². We submitted this report alongside our Regulation 19 representations.

The HELAA is not sufficiently thorough and robust in many ways. Firstly the 'Urban design capacity assessments' for individual sites were not publicly available and open for scrutiny, despite S&V requesting them for review. Also the HELAA is inconsistent with the NPPG whenever sites are rejected as unsuitable, unavailable or

² [South Oxfordshire and Vale of White Horse Capacity Review of Oxford City](#) December 2023, Chilmark Consultants

unachievable but there is no further work to examine how identified constraints could be overcome and this process could have yielded more capacity.

There is also insufficient transparency about employment site availability and lack of any housing capacity assumption attached to potential loss of employment land. It is not understood how a change in policy approach to enable more flexible use of employment for housing can yield no additional capacity. There are 27 sites currently in employment use which are not evaluated for residential use despite the local plan policy supporting this approach.

There is protection of green spaces but insufficient evidence on playing pitches especially golf courses and facilities, and if evidence of need is out of date a more flexible approach could yield more capacity.

The number of sites rejected due to 'availability' is stark, of 156 'suitable' sites only 98 are available, a reduction of 58 sites (potentially around 3,000 homes). Our review suggests 24 sites need detailed re-consideration, that these have a capacity range of between 2,967 and 3,593 homes. Chilmark's report indicates with a proactive and robust approach to the HELAA applied, an additional indicative capacity of Oxford of between 5,807 and 9,014 dwellings could have been achieved.

There are also many issues with the assumptions or policy approaches lowering capacity. There is inappropriate use of a non-implementation discount buffer of 10% (but Oxford applied a higher buffer than that, we think mistakenly), and this is an approach which was not applied correctly and in accordance with the NPPF paragraph 74 which makes it clear that the buffer operates by bringing forward additional sites from later in the plan period rather than adding a buffer to deliverable supply. The buffer approach removes 10% of the HELAA capacity, discounting off suitable available and achievable sites.

Also given Oxford's circumstances, the HELAA should explore a smaller site size threshold yielding slightly more capacity.

Another assumption not evidenced is a blanket protection for allotments without justification which again could yield more capacity. Lastly the windfall definition is not consistent with the NPPG.

The HELAA outcome is that Oxford plans for a backloaded housing trajectory to the end of the plan period which isn't justified. The effects of issues raised about Oxford's assessment of capacity is that we don't have a sufficiently robust capacity, which is important in the context of Oxford choosing a high housing requirement but claiming they have a constrained land supply. The plan doesn't provide for a sufficient amount of housing in the City where need is generated, nor a strategy to resolve past delivery failures. Adjacent Councils are impacted because of these choices.

7. Is it appropriate to set the housing requirement to exactly match the identified capacity (notwithstanding the use of some discounting)? What implications would this have for future assessments of housing land supply? Should more flexibility be built in between the requirement and the estimate of capacity?

S&V are concerned that a capacity-based housing requirement using capacity identified in the HELAA will operate inflexibly and because it is HELAA based, it gives little confidence that need being met in the City has been maximised. See response to Q6 about the inappropriateness of using a 10% buffer discount on capacity.

Unmet housing need

9. What agreements are in place to do this and what is the position of other authorities, including in relation to continuing commitments in existing adopted Local Plans?

There is no agreement in place between Oxford and S&V to meet the unmet need that arises from the plan.

There are two relevant statements of common ground (SoCG), one between Oxfordshire Authorities and another between S&V and Oxford³. Oxford made a formal request for assistance to meet unmet housing need on 22 December 2023: see the Joint SoCG (COM.002) S&V's position was and remains that the duty to cooperate hasn't been met and there is no agreement to meet further unmet need, given the lack of evidence and justification for the proposed housing requirement and supply.

S&V are preparing a Joint Local Plan. A second regulation 18 consultation on preferred options and full draft policies closed on February 2024. The Regulation 19 Joint Local Plan will be published November 2024. The emerging Plan reflects our position that there is no current justification for accommodating further unmet need, but we propose to maintain previously agreed commitments to Oxford and the Oxfordshire Housing and Growth Deal.

A very significant proportion of Oxford's proposed housing supply is accommodated by S&V's emerging Local Plan (7,150 homes). Our Joint Local Plan proposes a housing requirement with the standard method as the starting point, as well as a

³ [COM.002 Joint Oxfordshire SoCG on Housing Matters](#) and [COM.012 South and Vale SoCG](#)

justification to increase our housing requirement to allow for existing agreed unmet need from Oxford.

Adopted Local Plans remain in place based on our commitment to meet previously agreed Oxford unmet housing need, with both South Oxfordshire Local Plan 2035 and Vale Local Plan Part 2 2031 within 5 years of their adoption dates.

10. How do housing requirements in adopted Local Plans in other authorities compare with standard method calculations of housing need?

Housing requirements in adopted plans do not compare easily, but housing requirements in S&V's adopted plans were much higher than the standard method calculations have ever shown.

Housing needs for adopted plans were informed by a jointly prepared Oxfordshire-wide Strategic Housing Market Assessment, and the housing requirements were justified principally by the jointly agreed Oxfordshire Growth Deal, committing those plans to secure contributions towards 100,000 homes.

S&V have a current standard method calculation which is significantly lower than the adopted plans' housing requirements. In our emerging Joint Local Plan we propose the following housing requirements for S&V:

- South Oxfordshire has a standard method figure of 605 homes per annum using the 2022 affordability ratios. Over a twenty-year plan period (2021 to 2041), this results in a total housing need of 12,100 homes. In addition, we previously agreed to accommodate 4,950 homes for Oxford's unmet need for 2021 to 2036. Therefore, between 2021 and 2036, the housing requirement is 935 homes per annum (our own needs, plus Oxford's unmet need). Between 2036 and 2041, the housing requirement is in line with the standard method at 605 dwellings per annum. This makes the total housing requirement over the plan period 17,050 homes.
- The Vale of White Horse has a standard method figure of 628 homes per annum using the 2022 affordability ratios. Over a twenty-year plan period (2021 to 2041), this results in a total housing need of 12,560 homes. In addition, we previously agreed to accommodate 2,200 homes for Oxford's unmet need for the period 2019 to 2031. Therefore, between 2021 and 2031, the housing requirement will be 811 homes per annum. Between 2031 and 2041, the housing requirement is in line with the standard method at 628 dwellings per annum. This makes the total housing requirement over the plan period 14,390 homes.

11. Will the full unmet need realistically be delivered by other authorities?

Delivery of previously agreed unmet need is already planned for and existing local plan policies support the delivery of houses to meet that need.

There is no certainty that the additional unmet need which is generated as a result of this plan will be delivered by S&V as no agreement is in place to facilitate this and our emerging Joint Local Plan does not make provision for it.

12. What are the implications for emerging Local Plans in these authorities?

There are no agreements on the amount of new unmet need or how to distribute it. Oxford's local plan causes uncertainty for adjoining authorities. S&V are pressing towards submission of our Local Plan for examination by June 2025, on the basis that only the previously agreed level of unmet housing need continues to be planned for, which is what is proposed in the current draft plan.

13. How would delivering unmet need in other authorities achieve the objectives and outcomes intended, for example in terms of commuting and addressing affordable housing needs in Oxford City?

S&V won't comment on achievement of Oxford's specific objectives, however more unmet housing need being exported risks particularly poor outcomes.

There are significant concerns about green belt pressure as green belt surrounds the City. This means that more dispersed development patterns are likely, potentially placing pressure for unplanned development on Tier 1 settlements in our Districts, which have infrastructure capacity and delivery constraints. A more dispersed population throughout Oxfordshire increases in-commuting and there will be likely carbon impacts as a result. The ability to contribute towards Oxford's affordable housing needs is also lessened if housing is dispersed.

14. If Oxford City's housing need was calculated using the standard method, what would be the implications for the scale of unmet need and the potential for it to be met by other authorities?

S&V suggest there would be no additional unmet housing need if the standard method calculation alone forms the basis of Oxford's housing need.

The housing supply in adopted S&V plans and the emerging Joint Local Plan is sufficient to accommodate the previously agreed unmet need.