

West Oxfordshire Draft Local Plan

Local Housing Target Paper

October 2012

1. Introduction

- 1.1 The purpose of this background paper is to explain how the housing target set out in the draft Local Plan (October 2012) has been derived and why it is considered to represent an appropriate and sustainable level of growth for West Oxfordshire.
- 1.2 The paper forms part of the evidence base underpinning the draft Local Plan. It does not however form part of the plan itself.

2. Background

- 2.1 Previously, local authorities have based their housing targets on county and regional level plans.
- 2.2 The Oxfordshire Structure Plan 2011 identified the following level and distribution of housing growth in the period 1996 - 2011:

District	Total Requirement	Annual Average
Cherwell	11,250	750
Oxford	3,750	250
South Oxfordshire (excluding Didcot)	3,000	200
Vale of White Horse (excluding Didcot)	5,250	350
Didcot	5,500	366
West Oxfordshire	6,750	450
Total	35,500	2,366

- 2.3 The replacement Structure Plan 2016 identified the following level and distribution of housing growth in the period 2001 - 2016:

District	Total Requirement	Annual Average
Cherwell	9,350	623
Oxford	6,500	433
South Oxfordshire	7,500	500
Vale of White Horse	7,150	476
West Oxfordshire	6,800	453
Total	37,300	2,486

- 2.4 Therefore, despite the rural nature of the District, West Oxfordshire has been expected to deliver around 450 homes per year, similar to the other Districts with only Cherwell having had to deliver significantly more housing.
- 2.5 These relatively high rates of delivery were made possible by the redevelopment of a number of large 'brownfield' sites including Earlys Mill and Bridge Street Mills. However, the supply of such sites has now been exhausted.

- 2.6 The Oxfordshire Structure Plan 2016 was superseded by the South East Plan, adopted in 2009. Although the Government remain committed to the abolition of regional plans, it is unclear when this will happen and for the foreseeable future, they remain part of the development plan and must be taken into account in plan making.
- 2.7 The South East Plan housing targets for Oxfordshire in the period 2006 – 2026 are set out in the table below.

District	Total Requirement	Annual Average
West Oxfordshire	7,300	365
Oxford	8,000	400
South Oxfordshire	10,940	547
South of Oxford SDA ¹	4,000	200
Vale of White Horse	11,560	578
Cherwell	13,400	670
Total	55,200	2,760

- 2.8 The annual requirement for West Oxfordshire at 365 per year is lower than previous structure plan targets, reflecting the fact that the District has limited capacity to absorb additional growth. Conversely, as identified growth areas, the annual requirements for Cherwell, South Oxfordshire and Vale of White Horse District have increased.
- 2.9 Early consultation on the draft Local Plan (previously ‘Core Strategy’) was based on the South East Plan requirement. However, when it became apparent that the Government intended to abolish regional plans, the Council commissioned the Greater London Authority (GLA) to prepare a population and household projection to 2026 in order to help inform the development of a local housing target.
- 2.10 The GLA projection (November 2010) took account of planned housing from 2011 – 2016 (1,500) and then calculated how many additional homes would be needed to accommodate ‘natural growth’ in the following 10-year period to 2026 (2,800). The total identified housing requirement was 4,300 (i.e. 1,500 + 2,800). When this housing requirement was added to those houses built between 2006 and 2011 (3,000) the target was the same as the South East Plan (i.e. 3,000 + 4,300 = 7,300). This target was duly incorporated into the draft Core Strategy published in January 2011. The projections were updated in May 2011 taking account of more recent data, however the 4,300 housing requirement remained the same.

¹ Struck out the South East Plan following a legal challenge

3. Latest Housing Projections (September 2012)

- 3.1 The draft Local Plan has been delayed for a number of reasons and is now likely to be adopted by March 2014. In order to comply with national policy, the end date of the plan must be rolled forward to March 2029, so that it covers a period of 15 years. The initial results of the 2011 National Census also became available in July 2012.
- 3.2 For these reasons, the Council has commissioned a further set of housing projections. These are available separately and are summarised below.

'Natural Change' Scenario

- 3.3 The previous 'natural change' scenario has been re-run using the latest 2011 Census information and extended to cover the period to 2029. Notably, the new projection identifies a lower level of growth, suggesting that just 4,000 new homes are needed in the period to 2029. The reasons for this reduction are related to the availability of updated data, notably moving to a base of the 2011 Census and using more recent migration trends.
- 3.4 The provision of 4,000 homes in the period 2011 – 2029 would equate to 222 dwellings per year, well below previous Structure Plan targets for West Oxfordshire (around 450 per year) and below the remaining South East Plan annual requirement to 2026 (283 per year).
- 3.5 It is also pertinent to note that the provision of 4,000 homes could lead to a decline in the size of West Oxfordshire's resident workforce from 56,800 in 2016 to 53,100 in 2029. This is an important consideration in the context of the current drive for sustainable economic growth.

'Employment Based' Scenario

- 3.6 Given the need to plan for sustainable economic growth, an employment based' projection has been prepared to establish how many new homes would be needed to maintain the forecast peak labour force of 56,800 in 2016. This 'employment-based' projection identifies the need for 6,700 homes in the period 2011 – 2029 which equates to around 372 per annum.
- 3.7 Although this appears broadly in line with the South East Plan (365 per annum) regard must be had to those new homes already built within the South East Plan period. Once these are taken into account, the annual requirement falls to around 283 dwellings per annum. The employment-based scenario would therefore exceed the South East Plan requirement by a considerable margin.

'South East Plan' Scenario

- 3.8 A third housing projection has been prepared which considers the housing requirement should the South East Plan target be rolled forward to 2029 on a pro-rata basis.
- 3.9 The South East Plan (SEP) remains a material consideration and local authorities are able to rely on the plan and its underlying evidence base in developing their own local plans. The SEP housing targets are based largely on advice provided by the Oxfordshire Districts to the South East England Regional Assembly (SEERA) and take account of a wide range of factors including housing need, projections of household growth, economic growth and the need to balance the provision of new homes and jobs. Importantly, the figures have been thoroughly tested and agreed through an independent examination process.
- 3.10 Under the South East Plan scenario, the housing requirement for the period 2011 – 2029 is 5,500 equating to around 306 per annum. This includes the 359 homes built 2011/12, a further 1,437 new homes planned between 2012 and 2016 and a residual requirement of 3,700 in the period 2016 to 2029. In reaching this requirement, account has also been taken of the 3,000 homes built 2006-2011.
- 3.11 This level of new housing could result in a slight decline in the District's labour force from its forecast peak of 56,800 in 2016 to 55,100 in 2029.
- 3.12 It should be noted that the projections of labour force do not take into account planned increases to state pension ages and this is likely to increase the labour force slightly in the latter years of all projections.

Summary

- 3.13 Reflecting the fact that new Census data for 2011 is now available and that the plan period has been rolled forward to 2029, updated housing projections have been commissioned to help inform the development of a local housing target for West Oxfordshire.
- 3.14 Under the 'natural change' scenario, the number of houses provided in the period 2011 – 2029 would be 4,000 or 222 per year. This is well below previous rates of delivery within the District, would be much lower than the current residual South East Plan requirement of 283 per year and would lead to a decline in the size of the District's workforce.
- 3.15 Under the 'employment-based' scenario, the number of houses provided in the period 2011 – 2029 would be 6,700 or 372 per year. Whilst this level of housing growth would maintain the forecast peak in the size of the District's workforce, it would be well in excess of the South East Plan.

- 3.16 Under the 'South East Plan' scenario, the number of houses provided in the period 2011 – 2029 would be 5,500 or 306 per year. This level of housing growth would only involve a small potential decline in the size of the resident workforce and importantly, reflects the South East Plan which remains a material consideration.

4. Other Considerations

- 4.1 Whilst housing projections such as those outlined above, give a good indication of likely future housing requirements, there are a number of other factors that must be taken into account including:
- Evidence of housing need and demand
 - National household projections
 - Economic needs
 - The availability of suitable land for housing
 - The need to improve affordability and increase housing supply
 - A Sustainability Appraisal of the environmental, social and economic implications
 - An assessment of the impact of development upon existing or planned infrastructure and of any new infrastructure required

Evidence of Housing Need and Demand

- 4.2 There are two main sources of evidence of housing need and demand in West Oxfordshire; the Oxfordshire Strategic Housing Market Assessment (SHMA) published in 2007 and the West Oxfordshire Housing Needs Assessment updated in 2011.
- 4.3 The Oxfordshire SHMA was published in 2007 and seeks to quantify the amount of market and affordable housing needed in each of the Oxfordshire Districts and across the County as a whole. The SHMA identifies that in West Oxfordshire, the annual demand for market housing is 1,300 – 1,500 and the annual demand for affordable housing is 400 – 500 equating to a total demand for 1,700 – 2,000 new homes per year.
- 4.4 The West Oxfordshire Housing Needs Assessment (2008) was based on a household survey and identified that compared to the South East Plan requirement of 365 homes per year there is an annual shortfall of 830 units in the market sector and 567 units of affordable housing - a total of 1,397 per annum. The assessment was updated in 2011 and the annual shortfall of affordable housing had increased from 567 to 592.
- 4.5 Whilst both the SHMA and HNA identify unachievable levels of growth for the District well in excess of previous trends, they do serve to demonstrate that a very low housing target will not cater for forecast need and demand.

National household projections

- 4.6 Household projections are produced by the Department for Communities and Local Government and are linked to the latest ONS projections. The projections are trend-based and indicate the number of additional households that would form if recent demographic trends continue.
- 4.7 The latest CLG projections (2008 – 2033) suggest that by 2028 the number of households in West Oxfordshire will have increased to 53,000 - an increase of 9,800 from the 43,200 households recorded in the 2011 Census. This equates to 576 new households per annum and would result in a housing target of 10,300 in the period 2011 – 2029.
- 4.8 However, because CLG projections are policy neutral, reflect recent trends of estimated migration and do not have regard to up to date data on local housing completions or local circumstances, they are not considered to provide a robust basis for establishing a local housing target.

Economic needs

- 4.9 The NPPF makes it clear that the delivery of new housing is vital to economic growth. As we have already outlined above, the size of the District's resident workforce is forecast to peak at 56,800 in 2016 and that to sustain this, around 6,700 new homes would be needed in the period 2011 – 2029 equating to 372 per annum.
- 4.10 This must however be set against the other relevant considerations outlined above and below.

The availability of suitable land for housing

- 4.11 Clearly there is no point in setting a housing target that cannot be delivered due to a lack of suitable sites. Any locally derived housing target needs to be pitched at a realistic level that reflects the likely future supply of housing land. In this regard, the Council has prepared a Strategic Housing Land Availability Assessment (SHLAA) which considers the housing potential of all settlements within the District other than the smallest villages and hamlets.
- 4.12 The level of likely housing capacity identified in the SHLAA has been taken into account in identifying the proposed housing target having regard to the amount of suitable housing land that is likely to be available over the plan period.

Improving affordability and increasing housing supply

- 4.13 There is evidence to suggest that increasing the supply of housing can improve the 'affordability' of housing both by ensuring supply more evenly matches demand and also by increasing the amount of 'affordable' homes such as social-rented or properties for rent. This is a key issue for West Oxfordshire where there around 2,000 households on the waiting list for affordable housing.
- 4.14 As outlined above, the West Oxfordshire Housing Needs Assessment updated in 2011, identified the need for 592 affordable units per annum to clear the backlog of housing need over a 5-year period, which equates to 313 units per annum over a 10-year period or 220 per annum over a 15-year period.
- 4.15 Assuming a target of 35% affordable housing, the total number of new homes needed to clear the backlog of need over a 15-year period would be 630 per annum (i.e. 410 market houses and 220 affordable houses). Again, whilst this may be an unsustainable level of growth for a constrained District such as West Oxfordshire, it does demonstrate that a low housing target will not help to tackle housing need.

Sustainability Appraisal

- 4.16 It is essential that the level of housing growth is 'sustainable'. In other words, that it is sufficient to meet the needs of current generations without compromising the ability of future generations to meet their own needs. In line with national policy and legislative requirements, the draft Local Plan has therefore been subjected to a Sustainability Appraisal (SA) which includes an assessment of the three scenarios outlined earlier (i.e. 4,000, 5,500 and 6,700 new homes).
- 4.17 The SA is available separately and importantly, concludes that of the three scenarios, the most 'sustainable' option is the 'middle' target of 5,500.

Existing and planned infrastructure provision

- 4.18 'Infrastructure' is a broad term covering the essential services and facilities needed to support society. Some infrastructure is physical (e.g. roads, sewers, flood defences) some is social (e.g. health care, libraries) and some is environmental (open space, nature conservation).
- 4.19 It is essential that any local housing target takes account of the capacity of existing infrastructure to cope with additional growth. Regard must also be had to potential improvements to infrastructure and the effect this will have on the ability of an area to accommodate growth.

- 4.20 As part of the preparation of the draft Local Plan, a draft Infrastructure Delivery Plan (IDP) has been developed which seeks to identify the capacity of existing infrastructure within the District and the improvements that will be necessary to support future growth. The proposed housing target seeks to balance the likely pressure on existing infrastructure with the need for new or enhanced provision to be made.
- 4.21 At a county-wide level, future strategic infrastructure requirements and priorities have been identified through the Oxfordshire Local Investment Plan (LIP) prepared jointly by all Oxfordshire Districts through the Spatial Planning and Infrastructure Partnership (SPIP). Notably the LIP and the associated infrastructure needs that have been identified are based on the level of housing growth set out in the South East Plan, reflecting a general consensus amongst partners that this is an appropriate level of growth for the sub-region.

What's happening elsewhere in Oxfordshire?

- 4.22 The Strategic Housing Market Assessment (2007) demonstrates that Oxfordshire forms a relatively cohesive single housing market. In considering a local housing target for West Oxfordshire, it is therefore appropriate to consider the approach being taken in the other Oxfordshire Districts towards housing provision in their respective areas. A brief summary is provided below.

Oxford City

- 4.23 The Oxford City Core Strategy was adopted in March 2011 and covers the period up to 2026. Policy CS22 states that provision will be made for an average annual completion rate of a minimum of 400 dwellings for the period 2006-2026, to achieve a total of at least 8,000 additional dwellings. This requirement is based on the South East Plan.

Cherwell

- 4.24 Cherwell District Council recently published their proposed submission draft Local Plan covering the period up to 2031. The level of housing growth identified is 16,750 new homes in the period 2006 – 2031 equating to 670 per annum. This is based on the South East Plan requirement to 2026, rolled forward on a pro-rata basis.

South Oxfordshire

- 4.25 The South Oxfordshire Core Strategy has been independently examined, but not yet adopted. The plan covers the period to 2027 and makes provision for 11,487 new dwellings equating to 547 per annum. This is based on the South East Plan requirement to 2026 rolled forward on a pro-rata basis to 2027.

Vale of White Horse

- 4.26 The Vale of White Horse Core Strategy (Local Plan) has been subject to previous consultation in 2007 and 2009. Further work is currently ongoing. Notably, following a 'root and branch' review of the housing targets and sites in the emerging Core Strategy, the Council's Cabinet agreed to progress the Core Strategy using the housing requirement of the South East Plan. This equates to 578 homes per year or 13,294 homes over the period 2006 – 2029 on a pro-rata basis.
- 4.27 This brief sub-regional review indicates that other Oxfordshire Districts are continuing with the South East Plan housing targets and as such that the proposed sub-regional growth plan is to be broadly maintained, with the focus of growth along the A34 corridor - at Oxford, Bicester and Didcot. West Oxfordshire is not a focus of growth in the South East Plan due to its infrastructure constraints.

5. Conclusions and proposed way forward

- 5.1 The West Oxfordshire Local Plan must set out the scale of housing needed in the District in the period up to 2029.
- 5.2 When it became apparent that the South East Plan would be abolished, the Council took the opportunity to commission some household and population projections to help inform the development of a local housing target.
- 5.3 Coincidentally, the initial projections identified a similar level of growth to the South East Plan and a target of 4,300 homes in the period 2011 – 2026 was included in the draft Core Strategy published in January 2011.
- 5.4 Since then the initial results of the National Census 2011 have been published and it has also been necessary to roll the plan period forward from 2026 to 2029 to ensure that it covers a period of 15-years.
- 5.5 As a result, updated housing projections have been prepared to help inform the plan as it moves forward to adoption. The first projection, based on a 'natural change' scenario identifies the need for 4,000 new homes in the period 2011 – 2029 equating to 222 per year. The second 'employment-based' projection identifies the need for 6,700 new homes in the period 2011 – 2029. The third projection, based on the South East Plan identifies the need for 5,500 new homes in the period 2011 – 2029.
- 5.6 Whilst these projections provide an indication of the likely scale of future housing needed in the District, there are a range of other factors to take into account including evidence of housing need and demand, national household projections, the need for economic growth, the availability of suitable housing land, the need to improve housing affordability and increase supply, sustainability and the availability of existing and planned infrastructure.

- 5.7 As Oxfordshire is a relatively cohesive housing market, it is also relevant to consider the level of housing growth being planned for in the other Oxfordshire Districts. Notably, all of the Oxfordshire authorities have based their housing requirements on the South East Plan, where necessary, rolling it forward on a pro-rata basis. To set a housing target significantly different to the South East Plan would be out of kilter with the approach taken by the other Oxfordshire Districts and could potentially undermine the emerging Local Plan. A compelling case for a significant departure from the south east plan would need to be made and no such case exists.
- 5.8 Having regard to the recently prepared housing projections, the wider considerations outlined above and the approach taken by the other Oxfordshire local authorities, the draft Local Plan is therefore based on a housing target of 5,500 new homes in the period 2011 – 2029.
- 5.9 This level of growth is in line with the South East Plan, takes account of the need to increase housing supply, provide for economic growth and tackle housing affordability, but is balanced with the likely capacity of existing and planned infrastructure, the availability of suitable housing sites and the need to achieve a ‘sustainable’ level of development for the District. It must be recognised that the target is not however a ‘ceiling’ and may be exceeded.
- 5.10 A lower target of 4,000 would be well below previous trends of housing delivery in the District and would fall well short of identified levels of housing need and demand. It would not be as effective in boosting housing supply and addressing affordability and would limit the opportunity to provide new or enhanced infrastructure. Importantly it would be inconsistent with the South East Plan which remains a material consideration at the present time.
- 5.11 A higher target of 6,700 new homes, whilst presenting the opportunity to boost housing supply and meet a greater proportion of identified housing need and demand, is likely to put existing and planned infrastructure under greater pressure and have potentially negative sustainability impacts including in particular environmental impact as more undeveloped, Greenfield land would need to be released for development.

6. What happens next?

- 6.1 The target of 5,500 new homes in the period 2011 – 2029 has been included in the draft Local Plan which will be the subject of public consultation in November and December 2012. The comments received will be taken into account along with any other updated evidence before the plan is finalised and formally published in spring 2013 prior to submission to the Secretary of State.
- 6.2 Once adopted, the Local Plan will be subject to regular review and although it covers the period 2011 – 2029, is likely to be reviewed at least every five years including a reappraisal of the number of new homes that are needed.

7. Sources of further information

7.1 The following sources of information may be useful:

National Planning Policy Framework (NPPF)

<http://www.communities.gov.uk/publications/planningandbuilding/nppf>

CLG Household Projections

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdestimates/livatables-households/>

Oxfordshire Strategic Housing Market Assessment (SHMA)

<http://www.westoxon.gov.uk/files/download/5110-2761.pdf>

West Oxfordshire Housing Needs Assessment (2008)

<http://www.westoxon.gov.uk/files/download/6629-3558.pdf>

West Oxfordshire Housing Needs Assessment Update (2011)

<http://www.westoxon.gov.uk/files/download/6629-3558.pdf>

South East Plan (2009)

<http://webarchive.nationalarchives.gov.uk/20100528142817/http://www.gos.gov.uk/gose/planning/regionalPlanning/815640/>

Oxford City Council

http://www.oxford.gov.uk/PageRender/decP/Planning_Policy_occw.htm

Cherwell District Council

http://www.cherwell.gov.uk/media/pdf/1/f/Local_Plan_Proposed_Submission_LR.pdf

South Oxfordshire District Council

<http://www.southoxon.gov.uk/services-and-advice/planning-and-building/planning-policy/core-strategy>

Vale of White Horse District Council

<http://www.whitehorsedc.gov.uk/services-and-advice/planning-and-building/planning-policy/local-development-framework/core-strateg-3>