

Vale of White Horse Local Plan Examination in Public Stage 1 Hearing Statement from North Abingdon Local Plan Group (NALPG)

One of the 'Topic reports' submitted by the group was under the heading 'Is the Strategic Housing Market Assessment Right?' The main points that made are:

- ³⁵₁₇ The Strategic Housing Market Assessment (SHMA) figures are based on just one view of the future;
- ³⁵₁₇ So the predicted need for 1,028 extra houses per year until 2031 could be too high;
- ³⁵₁₇ The forecast looks too far into the future to be reliable;
- ³⁵₁₇ The assumptions about changes in the numbers of jobs may be incorrect;
- ³⁵₁₇ Builders may not be able to build as many houses as quickly as planned;
- ³⁵₁₇ The housing market may not function properly; and
- ³⁵₁₇ We are concerned that the SHMA target might be arbitrarily raised to meet Oxford City's needs; so
- ³⁵₁₇ Given the uncertainty, it would be better to have rolling forecast and plan.

This note links our 'Topic report' (TR) to the particular questions for Stage 1 of the EIP. The questions follow in italics, followed by our comments:

Matter 2 – Objectively Assessed Needs for Housing and Employment Land

2.1 Is the identified objectively-assessed need for housing of 20,560 new dwellings (an average of 1028 per year), as set out in policy CP4, soundly based and supported by robust and credible evidence?

The SHMA predicts significant growth in the Vale (TR para 3, around 40% extra houses). This would be a lot for an area with excellent developable land availability and excellent infrastructure capacity to absorb growth. Neither is the case in the Vale. The SHMA, in its own words, is a '*starting point*' for work locally and '*does not set housing targets in itself*' and it '*must not apply constraints*' (TR, introduction). So why is there total adherence to these figures?

In particular:

(a) Are the SHMA's demographic adjustments to the 2011 CLG Household Projections soundly based?

They seem acceptable (TR, para 13). But we are pleased that this question is being considered.

(b) Is it appropriate to include an allowance for addressing past shortfalls in the delivery of housing against the South East Plan housing requirements?

We are not at all sure that the allowance should be included (TR para 13). There could easily be double counting of need. If needs were not met in the past, then we would expect them to still be present and measurable in the latest statistics.

(c) Is the SHMA's adjustment to take account of forecast economic growth as set out in the Cambridge Econometrics/SQW report soundly based?

We think the forecast of economic growth is over optimistic. Eight different job generating factors are put forward (TR para 20). We are not convinced that all of these will materialise. Some of them might not.

It is also a concern that growth is being forecast for all parts of the country and we wonder if that is realistic. Some areas may see little growth. There seems to be no clear national plan setting out which areas have room to grow and what infrastructure and so forth they will need to do that.

(i) Are the report's forecasts of employment growth in the District realistic?

Again, we think the forecast of economic and employment growth is over optimistic. Eight different job generating factors are put forward and they all need to happen to generate the extensive growth predicted (TR para 20).

Technological change or other changes are quite likely to mean that existing jobs are lost, so any job growth would be needed for existing residents (who don't need any extra housing - TR paras 21 to 23).

Increasing activity rates may mean that more jobs are needed for the existing population. The new activities may have very high productivity and use high technology in which case less jobs may be created. Or the new jobs may be low skill, low pay and zero hours contracts?

We refer to an article by Deloitte and Oxford University (TR para 22, footnote 10 page 8)¹

(ii) Is there evidence that the forecast employment growth would give rise to demand for new housing within the Vale of White Horse district?

It is not the case that employment growth will inevitably lead to more people living locally. Various changes may mean that the jobs either don't materialise or are needed by the existing population as noted above.

Nor is it clear that zoning large areas for housing will result in houses being built. Speculators may hoard the land if they think its price will increase. Builders may prefer to build few houses at higher prices rather than fill the market with property and so reduce prices and their profits. People may have

¹ 'You are being replaced' – by robots - New Scientist 14 April 2015, 'Long road to autonomy' – self driving trucks, 'Robot cleaner' – New Scientist 16 May 2015, 'Robots that flirt are on the way – but don't panic' – Guardian 22 May 2015.

difficulty finding the long term funding needed to buy themselves properties. New homes can be bought and kept empty as investments as occurs in London and Cambridge (TR para 24).

(d) What are the implications of the 2012-based CLG Household Projections for the objectively-assessed need for housing?

We've not seen the 2012 based projections. The plan refers to 2011 based figures. All of these forecasts are based on many assumptions about the distant future and assumptions can be wrong.

2.2 Is the identified need for 13 additional pitches for gypsies and travellers (CP27) soundly based and supported by robust and credible evidence?

It is usually best to make reasonable provision for everyone.

2.3 Is the identified need for 219 ha of land for future employment development (policy CP6) soundly based and supported by robust and credible evidence?

The relationship between land provided and jobs generated and land provided is not clear. As discussed above, there might not be as many jobs as the plan predicts. New employment might not be generated on the scale planned.

Over supply of employment land might lead to patchy development or sub-optimal uses of the land – such as large warehouses with few jobs for example. Over optimism about growth can lead to development bubbles as has happened in the housing market (notably in Ireland). A more cautious, steady and phased approach would be preferable.

We also consider the unasked question about whether the building industry has the supply chains, capacity and skills needed to build three times more houses in the Vale each year (TR para 24).