

# **VOWH LOCAL PLAN PART 1 EXAMINATION**

## **HEARING STATEMENT**

### **MATTER 2: OBJECTIVELY ASSESSED NEEDS FOR HOUSING AND EMPLOYMENT LAND**

#### **ON BEHALF OF REDROW HOMES**

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**Question 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?**

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

- 1.1 The Planning Practice Guidance (PPG) describes the appropriate methodology for the assessment of future housing requirements. We believe that the approach taken in the preparation of the Oxfordshire SHMA complies with that guidance and has taken into consideration demographic factors, employment trends, market signals and the affordability of housing.
- 1.2 Redrow Homes considers that the housing requirement of at least 20,560 dwellings, outlined in Core Policy 4: Meeting our Housing Needs, represents the full objectively assessed need for the Vale of White Horse, as required by Paragraphs 159 and 47 of the National Planning Policy Framework (NPPF) among others. Indeed the requirement of "*at least 20,560*" dwellings is taken directly from the 2014 SHMA which is soundly based on the 2011-based CLG Household Projections.
- 1.3 As stated at paragraph 015 (Reference ID: 2a-015-20140306) of the PPG national housing projections are trend based and are the starting point in assessing overall housing need. The PPG then goes on to state that these national figures "*should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings*" (Paragraph: 019 Reference ID: 2a-019-20140306).
- 1.4 The 2011-based projections outline reduced household formation rates for the district, when compared to the 2008-based projections. If the Council were to utilise the 2011-based projections, they would be basing their housing requirement on already suppressed headship rates and a trend of declining affordability of housing due to the recession. Additionally, the 2011-based project household formation rates only project forward to 2021. Accordingly, it is considered that the demographic adjustments described at Paragraph 3.13 of the Oxfordshire SHMA '*Summary within the 'Key Findings on Need'*' document (GL Hearn March 2014) are fully justified. These adjustments: (a) update the base population projections by modelling-in future migration trends; (b) develop a bespoke population estimate for Oxford City and (c) apply adjusted (upwards) headship rates based on constant rates experienced between 2011- 31.

- 1.5 The housing requirement within the Cherwell Local Plan, which was found sound, is based on the adjustments to the CLG 2011-based projections contained within the SHMA 2014. At paragraph 46 the Inspector's Report states that Cherwell's housing requirement is based on,

*"the Council's conclusions, supported by other relevant Councils, that the district's sustainable development can realistically only be fully met through the very positive "Committed Economic Growth" scenario set out in the SHMA."*

- 1.6 The Inspectors Report, at paragraph 47, then goes on to state that

*"the methods used in, and the scenario outcomes arising from, the 2014 SHMA are consistent with the requirements of the NPPF and the PPG".*

- 1.7 In light of the above, it is considered that the Inspector's findings into the Cherwell Local Plan constitute a clear indication that the use of the CLG 2011 Household Projections and associated demographic adjustments are robust and the objectively assessed need figure within the submission VoWH Local Plan is soundly based.

- 1.8 Echoing para. 14 of ID2a of NPPG, the Inspector's Report into the Cherwell Local Plan reminds us that forecasting housing need *"is not an exact science"* due to the recession and international migration. Notwithstanding these complications in assessing the content of the Cherwell Local Plan the Inspector concluded that *"the Council's revised total largely based on the SHMA 2014, is essentially consistent with national guidance as to best practice"*. Accordingly, it is considered that the Inspector's findings into the Cherwell Local Plan constitute a clear indication that the 2014 SHMA, and its use of demographic adjustments associated with the CLG 2011-based Household Projections, is robust and accordingly that the objectively assessed need figure within the submission VoWH Local Plan is soundly based.

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

- 1.9 It is considered that the 2014 SHMA's approach to addressing shortfall against South East Plan requirements is robust and compliant with the guidance set out in the PPG. The methodology outlined in the PPG states that any assessment of housing need should, *"reflect the consequences of past under delivery of housing delivery<sup>1</sup>"* and that *"household projections do not reflect unmet housing need"* so that *"local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply."*
- 1.10 The extent and implications of past housing delivery, in terms of the effect on future housing requirements, is clearly considered and shown to be appropriate at paragraphs 3.59 – 3.71 of the 2014 SHMA Final Report.
- 1.11 Existing unmet housing need is self-evidently a component of the housing need that will arise in the district during the plan period and needs to be accounted for. It is considered that it is appropriate to calculate the extent of existing unmet housing need, i.e. the "backlog", by reference to the South East Plan housing requirements because that plan contained the housing requirements for VOWH for 2006-2026 and itself took account of past-under delivery. It is therefore the most safe figure available to use in determining the level of existing unmet housing need that should be carried over into the current OAN for the district.
- 1.12 The robustness of the methodology and housing need figures contained within the SHMA 2014 is emphasised by the Inspector's Report into Cherwell Local Plan (June 2015), in which the Inspector states, *"I am satisfied that the methods used in, and the scenario outcomes arising from, the 2014 SHMA are consistent with the requirements of the NPPF and the PPG"*. The record of past under delivery as against the South East Plan requirement was used for the purposes of assessing the extent of existing unmet need for housing for Cherwell and it is considered that it would be appropriate, and consistent, to do so here.

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<sup>1</sup> National Planning Policy Guidance: Paragraph: 015 Reference ID: 2a-015-20140306

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

- 1.13 The NPPF seeks the alignment of economic and housing evidence in order to support the delivery of necessary economic growth. The Local Plan is supported by an up-to-date SHMA and economic forecasting which in our assessment meets the requirements of the NPPF and NPPG. The strategy arising from these evidence base documents has allowed the Council to support the Government objective to deliver sustainable economic growth and plan proactively to support an economy fit for the 21st century, as outlined in paragraphs 19 and 20 of the NPPF respectively.
- 1.14 The importance of planning for a housing requirement capable of meeting anticipated changes in the local economy and future economic performance is explained at paragraphs 9.23-9.25 and 9.56 of the 2014 SHMA Final Report. The approach adopted in the 2014 SHMA is entirely in accordance with paragraph 158 of the NPPF which makes it clear that Local Plans should be based on *"adequate, up to date and relevant evidence about the economic, social and environmental characteristics and prospects of the area"*.
- 1.15 Paragraph 10 of the NPPF requires that Plans and decisions need to take local circumstances into account so that they respond to the different opportunities for achieving sustainable development in different areas. The implementation of the policy requirements of the NPPF needs to be considered alongside the content of the Oxford and Oxfordshire City Deal (January 2014), which provides a highly significant local focus for the preparation of the Local Plan. The City Deal, agreed by the Government, outlines that despite Oxfordshire's wealth of world-class assets, it has previously and continues to underperform. The City Deal states:
- "Growth in Oxfordshire has been constrained by insufficient public transport and an at-capacity road network, under-developed business networks and lack of critical mass to support growth and investment. In addition, demand for housing and commercial premises has outstripped supply."*
- 1.16 Additionally, The Oxfordshire Innovation Report (2013) states that Oxfordshire's exceptional assets may not be generating as much economic benefit for the area, and the UK, as could be expected. For example,

*"Oxfordshire should be attractive to inward investment, yet only 3% of South East jobs from foreign direct investment located in Oxfordshire between 1999 and 2010, compared with Berkshire (13%), Surrey (16%), Hampshire (13%) and Buckinghamshire (15%)".*

- 1.17 A key aspect boosting the performance of Oxfordshire and increasing economic investment in the area is delivering new housing development. Indeed, the City Deal states that the delivery of *'housing is essential for the future of the knowledge economy in Oxford and Oxfordshire'*. The 2014 SHMA has established the housing requirement arising across the Oxfordshire Housing Market Assessment (HMA), including the Vale of White Horse district. The outcome of this up to date assessment has informed the identification of the objectively assessed housing need for the district as required by paragraphs 159 and 47 of the NPPF. Accordingly, this has been incorporated into the Local Plan as the objectively assessed housing need requirement. The Council's approach is compliant with the requirements of the City Deal which states that Oxford and Oxfordshire will commit to delivering *'the necessary sites that will meet the housing needs outlined in the SHMA'*.
- 1.18 Pursuing the higher growth option, in respect of housing numbers, will aid the Council's ability to deliver the required and nationally significant economic growth package and respond to the clear and relevant 'market signals' present within the District, as per the requirements of paragraph 17 of the NPPF. The economic evidence underpinning the 2014 housing requirement for each district within the 2014 SHMA was described in the Inspector's Report into the Cherwell Local Plan as *"robust, realistic and bolstered by the national economic recovery now underway."*
- 1.19 In light of the above, we consider that it is appropriate for the Council to proceed on the basis of meeting its objectively assessed need in full, notwithstanding the presence of the Green Belt in part of the district. The highly significant economic growth goals established in the City Deal require that the achievement of those goals is supported fully by the provision of adequate housing. The 2014 SHMA clearly identifies the link between economic success and the construction of adequate housing. In the context provided by the City Deal it is entirely appropriate for the objectively assessed need to be met in full in the Vale of White Horse district.

- 1.20 The appropriateness of the SHMA 2014 adjustment and ultimately the Council's decision to select the high growth option which takes account of economic growth forecast in the Cambridge Econometrics/SQW report and the nationally important City Deal is robustly illustrated in paragraph 14 of the Inspector's Report into the Cherwell Local Plan (June 2015),

*"For further justification of the logic and merits of the Council's decision to select the high growth option, as many respondents pointed out, it is relevant to consider comparisons with Cambridgeshire, with its equally pre-eminent university city, and the economic growth that has taken place there recently and which will continue in the overall national interest. Therefore, I endorse this important policy decision by the relevant Councils, including Cherwell, as appropriate, reasonable and realistic."*



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

- 1.21 The 2012-based CLG Household Projections-Household Growth indicate a minor increase in household formation when compared to the 2011-based CLG Household Projections. The increase from 388 households per annum to 415 households per annum equates to a 7% rise. The GL Hearn demographic adjustment figure (as outlined in the 2014 SHMA) of 465 households per annum represents a 12% rise on the 2012-based projections and a 19% rise on the 2011-based projections.
- 1.22 Given that the housing requirement in the Local Plan is taken from the high growth 'policy on' option within the 2014 SHMA, it is considered that proposed housing requirement adequately addresses the minor increase in the Household Projection rate and in any event the figure set is expressed as a minimum. In essence, this is a case where the jobs-led housing need figure will be larger than the purely demographic housing need figure. That will be the case whether the purely demographic housing need figure is calculated using the 2012-based household projections or using the adjusted household projections developed and adopted by GL Hearn in the 2014 SHMA. To that extent the implications of the 2012-based projections are limited since a purely demographic housing need figure will underestimate the level of OAN arising in the district because of the significant economic growth which is being planned for.
- 1.23 Given the content of the Inspector's Report into the Cherwell Local Plan, there is a clear consistency and synergy in the approach adopted by Cherwell District Council and Vale of White Horse District Council in the preparation of their respective Local Plans. Redrow Homes consider that the Inspector's Report acts as a robust and up to date indication from the Planning Inspectorate that the SHMA 2014 housing needs figures are the up to date, sound and robust.