
Matter 2 – OAN for Housing & Employment

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? In particular:

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

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

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

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

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

1. The City Council, as a joint commissioner of the SHMA, fully supports the methodology, assumptions, and adjustments made to the government projections, in the Oxfordshire SHMA (2014) (HOU01), and the overall conclusions of the assessment. The assessment was based on the best available data and guidance that was available at the time, and as such is based on reasonable population and household projections. The SHMA was accepted by the District Councils and the Oxfordshire Growth Board.
2. The latest population data at the time that the SHMA was produced were the CLG 'interim' 2011-based Household Projections (issued in April 2013), and ONS 2011-based Sub-National Population Projections (SNPP, issued September 2012). In applying this data, the SHMA recognises the limitations of using the interim Household Projections that only took partial account of the 2011 Census results, and only run for 10 years to 2021.
3. The SHMA therefore included more in-depth interrogation of the data, and a bespoke model was used in the SHMA scenarios to make reasonable adjustments to reflect more detailed and up to date local data, such as market signals¹. For example, the 2011 Census revealed the population size for Oxford had been under-estimated by ONS in previous population projections, so an adjustment was made. An adjustment was also made to the headship rates, because the 2011-based Household Projections were projecting forward a declining household formation rate based on trends from 2011-

¹ Oxfordshire Strategic Housing Market Assessment 2013 (HOU01) paragraph 1.18

2011, and this was not considered to be a reasonable or realistic assumption. In summary the market signals were indicating that past housing delivery had been constrained, hence the government demographic projections were projecting forward on the basis of a similar under-provision across the whole Oxfordshire housing market area (HMA) and particularly in the City, thus adjustments were made to make them more realistic.

4. As noted in the SHMA, simply rolling forward past trends for the HMA underplays the expected growth in the local economy, particularly because there are a number of committed policy initiatives and investments (both public and privately-funded) that will influence the economy over the 2011-2031 period. Planning Practice Guidance states that *“Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.”* (Ref ID: 2a-018-20140306). The ‘Committed Economic Growth’ projections in the SHMA capture key commitments including Oxfordshire City Deal (TRA04), the Strategic Economic Plan (ECO10), and other planned (and in most cases funded,) infrastructure, therefore providing a sound basis upon which to plan for housing need. This adjustment to reflect economic commitments is also consistent with the NPPF emphasis on supporting economic growth, enhanced housing delivery, and on aligning housing and economic policies.
5. Furthermore since the SHMA publication, additional infrastructure has also been funded, and initiatives have been progressed, which increase the certainty of achieving the economic growth assumptions applied in the SHMA. For example, further rounds of Local Growth Fund monies have been received from government to support economic growth at the Science Vale and Northern Gateway areas², and the Northern Gateway Area Action Plan has been adopted by the City Council (July 2015). This on-going progress reinforces and further illustrates that the original assumptions about economic growth made in the SHMA were robust and credible, and indeed the forecasts are being borne out already.
6. The enhanced level of growth in the economic scenarios, significantly above the baseline requirement necessary for population growth and demographic trends alone, “takes full account of the robust economic evidence, as well as the strong “market signals”³.
7. The SHMA also reviews any previous shortfalls in housing delivery in the context that it can influence the affordable housing backlog, and because previous under-delivery can affect trend-based population forecasting, such as household formation rates and trends in migration. This element of the analysis is clearly differentiated in the report and is not proposed as the OAN. The housing need figures in the scenario of adding a shortfall figure (against South East Plan requirements) is in any event far exceeded by the housing need figures resulting from the Committed Economic Growth scenario⁴. As such, the key benefit of the analysis of previous shortfalls is the insight about factors underlying

² July 2014 and January 2015 Growth Fund announcements from Government

³ Cherwell District Council examination Inspector report 2015, paragraph 51

⁴ Table 88 of SHMA, page 176

the market signals, rather than the figures per se. The PPG strongly encourages interrogation of market indicators about the supply and demand of housing.

8. The City Council appreciates that the SHMA needs to be kept up to date, and it is important for the local authorities to maintain and develop their understanding of the local housing market in Oxfordshire subsequent to publishing the SHMA as noted in the SHMA itself. The publication of the CLG 2012-based Household Projections (published February 2015) is one element of this, being the first household projections and household formation to be underpinned by the 2012-based SNPP.
9. It is understood that the Vale is carrying out its own review of the CLG 2012-based Household Projections (HHP). Whilst not a commissioning body of the review, the City Council requested to be fully involved in the update as a Duty to Cooperate partner and as an authority within the HMA, because any adjustments to the figures in Vale could impact on the rest of the HMA. At the time of writing the City Council has not been party to any emerging or draft findings of the review, and is awaiting the report.
10. In the meantime, from the City Council's own initial officer overview of the 2012-based HHP data, it is concluded that the level of housing need does not vary significantly from the updated 2012-based data. This provides further confidence that the original demographic modelling work undertaken in the SHMA remains reliable, and the adjustments made in the SHMA, such as for more positive household formation trends, were based on robust evidence and methodology.
11. Nonetheless, the City Council remains fundamentally concerned that the housing requirement in CP4 only seeks to make provision for the district OAN and excludes any allowance, or an effective contingency measure, for accommodating unmet need from elsewhere in the HMA especially from Oxford. This approach is contrary to the NPPF paragraph 47 because it will not be effective in addressing the needs of the Housing Market Area, and does not meet the Duty to Cooperate. (See our statements on Matters 1 and 4.)

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

12. The Gypsy, Traveller and Travelling Showpeople Accommodation Needs Assessment 2012/13 (HOU07) was commissioned jointly by Oxford City, South Oxfordshire District and Vale of White Horse District Councils. The City Council is supportive of Policy CP27 which aims to meet the full needs for gypsy and traveller accommodation identified for the Vale by this assessment.

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

13. The City Council is concerned that the figure of 219ha of land for future employment development differs significantly from the figure of 163.97ha identified in the Economic Forecasting for Oxfordshire undertaken by Cambridge Econometrics and SQW (ECO02, see Appendix K – Employment sites and job capacities). The Cambridge Econometrics figure clearly aligns with the Strategic Economic Strategy (SEP) (ECO010) and with the SHMA 2014. But it is not clear from the ELR Update (ECO01) or the ELR Addendum (ECO01.2) where the new figure of 219 ha comes from, nor how it is related to the 23,000 additional jobs expected under the Cambridge Econometrics ‘Planned Economic Growth’ scenario.
14. The VWHDC’s housing needs and proposed spatial strategy are based upon the 2014 Oxfordshire SHMA (HOU01). However, the 2014 SHMA assessed the VWHDC’s housing needs using the Cambridge Econometrics forecast of 163.97ha of land for future employment development to 2031. The proposed increase in future employment development above this level (an additional 55.03ha) in CP6 is significant (approximately 34% increase), even accounting for a flexible employment land supply. This means that the VWHDC’s housing target and proposed spatial strategy does not provide an adequate number of homes to support this proposed increase in employment provision, and therefore is neither justified nor effective. The spatial strategy should be adjusted to either increase the number of homes to correspond with the increased employment provision, or revert to the lower level of employment in line with the SEP and the SHMA.
15. In addition there is a lack of evidence that adequate consideration has been given to ensure that the proposed increased employment land supply in the Vale is balanced with economic growth in other parts of Oxfordshire including Oxford, and is consistent with wider strategic policies across the County particularly the SEP. The SEP is clear that the three key areas for employment and housing growth are Bicester, Oxford and Science Vale, and that the Strategy is dependent on the delivery of all three elements in combination. There is a lack of explanation in the evidence base that the impacts of increased provision in the Vale would not undermine the planned economic growth in other areas. The increase to 219ha also does not seem to have been tested properly through the Sustainability Appraisal (DLP04) where there is only a broad reference about the distribution not changing but no other impacts, such as the changing ratio of jobs to homes, are discussed. Similarly the strong inter-relationship between Science Vale and Oxford as the home of the Universities and hospitals is not well recognised in the LPP1. The City Council therefore considers that Core Policies 6 and 15 are not effective.
16. Paragraph 158 of the NPPF is clear that *“Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are **integrated**”* (emphasis added by Oxford City Council). For the reasons set out above, the VWHDC strategies for housing and employment are not currently integrated – either within the Vale or with wider strategies - and could result in economic growth that is not supported by adequate housing and infrastructure or that prejudices growth elsewhere.

17. For avoidance of doubt, the City Council supports in principle VWHDC aspirations for economic growth. However there is a concern about the lack of clear or credible evidence that 219ha of employment development is deliverable, given the evidence on demand and required land supply set out in the CE report, nor that such an apparent excess in employment land supply is an appropriate or efficient use of land. Increasing the employment land allocation above that included in the SHMA would need to be balanced with additional housing land allocations. The strategy on employment land allocation is therefore not justified.