West Oxfordshire Local Plan Examination

Response to Inspector’s Issues and Pre-Hearing Questions (IN006) Issues 1, 2 and 3 Submission on Behalf of Crest Strategic Projects (GL Hearn) 152

September 2015

Prepared by

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## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISSUE 1: THE DUTY TO CO-OPERATE, SUSTAINABILITY APPRAISAL AND THE TEST</td>
<td></td>
</tr>
<tr>
<td>OF POSITIVELY PREPARED IN RELATION TO THE UNMET NEEDS OF NEIGHBOURING</td>
<td></td>
</tr>
<tr>
<td>AUTHORITIES</td>
<td>4</td>
</tr>
<tr>
<td>ISSUE 2: IS THE IDENTIFIED OVERALL HOUSING REQUIREMENT IN THE PLAN (10,500 IN POLICIES H1 AND H2) JUSTIFIED AND CONSISTENT WITH NATIONAL POLICY AND GUIDANCE, LOCAL CIRCUMSTANCES AND ECONOMIC GROWTH?</td>
<td>10</td>
</tr>
<tr>
<td>ISSUE 3: WILL THE PLAN ENSURE THE DELIVERY OF THE IDENTIFIED HOUSING</td>
<td>30</td>
</tr>
<tr>
<td>REQUIREMENT (10,500 IN POLICIES H1 AND H2) CONSISTENT WITH NATIONAL</td>
<td></td>
</tr>
<tr>
<td>POLICY AND GUIDANCE FOR THE SUPPLY OF HOUSING AND LOCAL CIRCUMSTANCES?</td>
<td></td>
</tr>
</tbody>
</table>
These representations are submitted in respect of:

- **Issue 1**: The Duty to Co-Operate, Sustainability Appraisal and the test of Positively Prepared in relation to the unmet needs of neighbouring authorities.

- **Issue 2**: Is the identified overall housing requirement in the Plan (10,500 in Policies H1 and H2) justified and consistent with national policy and guidance, local circumstances and economic growth?

- **Issue 3**: Will the Plan ensure the delivery of the identified housing requirement (10,500 in Policies H1 and H2) consistent with national policy and guidance for the supply of housing and local circumstances?

They are submitted to assist the Inspector in determining the soundness of the Local Plan with the objective of ensuring that the plan can be found sound without undue delay in the preparation process.

The submission is made with reference to the Inspector’s questions set out at IN006, identified below, and addresses elements of specific questions, with recommended amendments to help achieve soundness in accordance with the NPPF tests, where applicable. Crest Nicholson submits representations based on matters only where contributions are considered to be of assistance to the Inspector.

In the context of these representations the Inspector is referred to previous representations submitted on behalf of Crest Strategic Projects (May 2015 [692 152]) advising that the land identified to the west of Carterton (SHLAA Reference 293) is capable of accommodating at least 1,000 dwellings, and is under the sole control of Crest. This land has been subject to Sustainability Appraisal as part of the Local Plan preparation process assuming a development of 1,000 dwellings. Crest continues to support and promote the allocation of this land as a strategic development site capable of accommodating up to 1,000 dwellings.
ISSUE 1: THE DUTY TO CO-OPErate, SUSTAINABILITY APPRAISAL AND THE TEST OF POSITIVELY PREPARED IN RELATION TO THE UNMET NEEDS OF NEIGHBOURING AUTHORITIES

1.6: Should the Council have included in this Plan some provision for Oxford City’s needs pending the completion of the joint work on spatial options/district apportionment which is on-going? Was this realistic in the context of the available evidence? Is the submission of the Plan in the absence of such provision a failure of the Duty or does it make the Plan unsound? A failure of the duty is not rectifiable, but if there is unsoundness would it be capable of being remedied as part of the Examination process?

1. The Oxfordshire Strategic Housing Market Assessment (SHMA) published in April 2014 is the most up-to-date assessment of housing need in Oxfordshire. The SHMA was commissioned jointly by the five authorities and provides objectively assessed housing need figures for each of the authorities. The objectively assessed housing need (OAN) for Oxford City is identified as 1,200 – 1,600 dwellings per annum (with a midpoint of 1,400 dwellings per annum – 28,000 homes across the plan period). In line with the National Planning Practice Guidance (PPG) and the National Planning Policy Framework (NPPF), the SHMA assesses the full objectively assessed housing need of the Oxfordshire Housing Market Area (HMA). The HMA is identified at paragraph 3.12 of the ‘West Oxfordshire Statement of compliance in relation to the Duty to Co-operate’ March 2015 as essentially contiguous with the county boundary and affecting all the Oxfordshire authorities.

2. Section 33A of the Planning and Compulsory Purchase Act 2004 sets out a local planning authority's ‘duty to co-operate’, requiring Councils to engage constructively, actively and on an on-going basis with other local authorities in relation to strategic matters when preparing local plans. Strategic matters include the delivery of homes needed in an area (paragraph 156 of the NPPF).

3. It is accepted by the Oxfordshire Authorities that the City Council will not be able to meet its OAN within its administrative boundaries. To define the magnitude of the shortfall Oxford City Council commissioned consultants (URS) to undertake a Strategic Housing Land Availability Assessment (SHLAA) - ‘Oxford’s Housing Land Availability and Unmet Need Assessment’ (December 2014).

4. The study identified potential to accommodate up to 10,212 dwellings within the City to 2031. The implication arising from this exercise is that the scale of unmet need will fall somewhere between 13,788 and 21,788 homes, with a mid-point of 17,788 homes. Accordingly, it falls that to meet Oxford City's OAN the other Oxfordshire authorities will need to either identify land, or make provision within their Local Plans for future reviews, to accommodate the unmet need. While this principle is embraced, there is as yet no agreement regarding either the scale of the unmet need or the most appropriate spatial distribution.

5. In response South Oxfordshire, Vale of White Horse and Cherwell District Council jointly commissioned consultants (Cundall) to undertake an independent assessment of the availability of suitable housing land within Oxford City, to test the scale of unmet need. The report: ‘Unlocking Oxford’s Development Potential’ concludes there is potential to accommodate up to 16,211 dwellings within the Plan period; approximately 6,000 more than is stated in Oxford City Council’s SHLAA.

6. While it is clear (and accepted by all the planning authorities within the Oxfordshire Housing Market Area) that unmet housing need arising from Oxford City is substantial there is no consensus yet on the scale of the need. At the time of writing the range extends from a lower end requirement of 7,789 dwellings to an upper end figure of 21,788 dwellings. This demonstrates very clearly that there is considerable work to do, firstly to define the scale of the need, and then to fix on spatial options/district apportionment.
7. The Oxfordshire Growth Board (OGB) published its Strategic Work Programme in July 2015; it highlights significant slippage (7 months) in the timetable for identification of the scale and distribution of the Oxford unmet need (see below) and it is considered optimistic in its assumptions as to when the work is likely to be concluded. At the time of writing all authorities should have identified strategic options to accommodate the unmet need and these should have been tested by a ‘critical friend’. Going forward there is a requirement to subject this work to sustainability assessment; to align the options with an infrastructure delivery plan, and then to agree a final distribution across the districts. The timetable states that this will all be achieved by April 2016. Within this timeframe the programme allows for a period of up to three months (maximum) between receiving the recommended distribution and finalising it.

8. This programme involves the resolution of some significant and controversial decisions regarding potentially large scale housing allocations around Oxford. It is likely to be a challenging exercise and one that inevitably will be subject to much conjecture, debate and disagreement. There is very clear propensity for the timetable to slip further before the exercise is concluded.

9. West Oxfordshire has not committed firmly to accommodating any of Oxford’s unmet housing need within the draft Local Plan, although the supporting text (paras 1.7, 1.8) acknowledge that an early review is potentially required. (Appendix 1)

10. It is recommended that a firmer commitment to a review should be incorporated into the wording of the Local Plan, with a positive intention to include a review mechanism to accommodate future unmet housing need from Oxford City.

11. In representations on the Pre-submission Local Plan GL Hearn highlighted a review mechanism for addressing Oxford’s unmet housing need was accepted by the Inspector at the examination of the Cherwell Local Plan (adopted July 2015).

12. At the time of this submission (May 2015) the OGB programme had progressed to the extent it was anticipated that recommendations on how to accommodate Oxford’s unmet housing need would be published in August 2015. GL Hearn, therefore, advocated it would be more appropriate and pragmatic to await the decisions of the OGB and then comprehensively address the unmet need requirement during the examination of the current version of the plan. This position was predicated on the scale and distribution of the need being determined swiftly, in accordance with the published programme.

13. As set out above this timetable has slipped by seven months and both the extent of unmet need and a potential spatial distribution remain unconfirmed. Given this change in circumstances it is no longer considered pragmatic or proactive to await the conclusion of this exercise, taking into account the propensity for possible further delays, before progressing with the Local Plan.

14. Taking the above factors into account there are now much clearer parallels between the situation faced by the Cherwell Local Plan Inspector and that which is now manifest here. (Appendix 2)

15. It would be inappropriate now to include ‘some provision’ for Oxford City’s unmet need pending the completion of the joint work on spatial options/district apportionment. Oxford City has published an ‘Investigation into the potential to accommodate urban extensions in Oxford’s Green Belt – Informal Assessment’, which considers the potential of a number of sites within the Green Belt around the City. None of the areas of search falls within West Oxfordshire District; the areas with good prospects for development were identified to the north, south and south east of the city. While it is acknowledged that the report is not endorsed by all the Oxfordshire councils, it illustrates potential scenarios where Oxford’s unmet need could be accommodated wholly within urban extensions located in the authorities adjoining the City boundary, excluding any contribution within West Oxfordshire.
16. As noted above, the OGB intends to define and then recommend a strategy for meeting the unmet need arising from Oxford City, which will include a Green Belt review endorsed by all the Oxfordshire authorities. It would be premature to define a quantum of provision or area(s) of search within the West Oxfordshire Local Plan until the conclusions of this work are published. To allocate an arbitrary interim figure to each district would undermine the positive efforts made by all the Oxfordshire authorities as part of the Oxfordshire Growth Board, which have been agreed within the Oxfordshire Statement of Cooperation.

17. It is important to note the recent letter from Secretary of State for Communities and Local Government, The Right Honourable Greg Clark MP, to the Chief Executive of the Planning Inspectorate on 21st July 2015, which emphasised the great importance the Government assigns to getting up-to-date Local Plans in place. The letter states:

   "As inevitably a plan cannot exactly account for future circumstances there is a real value in getting a Local Plan in place at the soonest opportunity, even if it has some shortcomings which are not critical to the whole plan".

18. The draft West Oxfordshire Local Plan should be modified to include a categorical commitment, together with other relevant Councils, to accommodating the unmet housing needs of Oxford City, where the work of the OGB identifies that West Oxfordshire should accommodate a component of this requirement.

19. Such a commitment is justified by the Council's continued participation in the Oxfordshire Growth Board, which holds as its key principles:

   "- The district Local Plans are sovereign and all work should feed into Local Plans for them to determine the spatial future of the districts;
   - A recognition that work must be collaborative and joined up to provide a county wide spatial picture and strategy;
   - A recognition that joint work on future spatial options, transport infrastructure and Green Belt will be required to feed into Local Plans;
   - Recognition that the City cannot fully meet its housing needs and there is a need to agree on the level of unmet need; work on determining spatial options in Local Plans can commence alongside this;
   - A wish that the timescale for completing the Review is 12 – 18 months and that this should not hold up Local Plan timescales" (paragraph 4, page 7, Post SHMA Strategic Work Programme).

20. Given the imperative placed on getting an up-to-date plan in place as emphasised by the July 2015 letter, and mindful of the specific advice set out within PPG relating to Local Plan reviews, it is contended that, to date, West Oxfordshire District Council is fulfilling the legal ‘Duty to Co-operate’, engaging constructively, actively and on an on-going basis with other local authorities in relation to strategic matters in preparation of its Local Plan.

21. It is established that the ‘duty to co-operate’ is not a ‘duty to agree’. Notwithstanding this provision, once the OGB agrees on the scale of Oxford’s unmet need and defines a spatial distribution, the duty-to-co-operate will require each authority to accept this level of apportionment as part of the joint working process, unless robust planning reasons are in place to justify that this would not be possible.
1.17: Is it likely that the spatial strategy proposed in this Plan would need to be significantly altered if some of the unmet needs from Oxford City were to be met in West Oxfordshire?

1. The overall strategy of the Local Plan seeks to focus the majority of new development at the District’s three main towns of Witney, Carterton and Chipping Norton. GL Hearn supports this broad overarching strategy. This strategy was tested via Sustainability Appraisal against reasonable alternatives and was consistently found to be the preferred growth option through successive iterations of the Sustainability Appraisal and via public consultation. Based on the evidence, the ‘Three Towns’ Option is considered to be the most appropriate spatial strategy for the District.

2. Within the Pre-Submission Draft Sustainability Appraisal Report, the ‘Three Towns’ Strategy was tested against a range of housing growth options:

   1. 500 dwellings per annum (10,000);
   2. 541 dwellings per annum (10,820);
   3. 590 dwellings per annum (11,800);
   4. 660 dwellings per annum (13,200); and
   5. 800 dwellings per annum (16,000).

3. Option 4 is the midpoint range identified by the SHMA 2014, whilst Option 5 represents the midpoint range incorporating an allowance of 140 dwellings per annum (dpa) from neighbouring Local Planning Authorities. In the reasons for rejecting Option 5 in Plan Making, the SA Report states:

   “Option 5 considers the possibility of the District meeting its full ‘unconstrained’ housing need as identified in the SHMA and also a proportion of the housing need of other Districts (140 homes per annum). It is evident that Oxford City is unlikely to be able to meet its full housing need and therefore it is appropriate to consider the possibility of West Oxfordshire having to meet some of Oxford’s ‘unmet need’. On balance, it is considered that a target of 800 homes per annum would not be appropriate for the Local Plan. Whilst clearly representing a significant boost to housing supply, it is notable that in the 20-year period 1991-2011, delivery in excess of 800 homes per annum was only achieved in two years (2006 and 2007) and that was only possible because of several large housing schemes coming forward at the same time. The long-term average over the same period is much lower at 474 homes per annum. The Council’s updated Strategic Housing Land Availability Assessment (SHLAA) also demonstrates that there are not enough suitable and deliverable sites available to meet such a high housing target. Other relevant considerations including the District’s environmental constraints and infrastructure capacity, lead the Council to the conclusion that a target of 800 homes per annum is not appropriate or achievable. The Council is committed to a process of joint working with the other Oxfordshire local authorities through the duty to co-operate and will be involved in the process of assessing different options for meeting Oxford City’s unmet housing need. If options are identified in West Oxfordshire this would be addressed through a focussed early review of the new Local Plan” (page 49 of the Pre-Submission Draft SA Report).

4. It is considered that the reasons for rejecting Option 5 are not justified or sound for the reasons set out below:

5. The Council acknowledges that a housing target of 800 dwellings would represent a significant boost to supply, and therefore accord positively with paragraph 47 of the NPPF.

6. The Council dismisses this target on the basis this scale of delivery was only achieved during a two-year period (2006-2007), which it characterises as unusual due to several large housing schemes coming forward at the same time. It could equally be argued (see Issue 2 below) that if land supply is not artificially constrained by the application of unduly restrictive policies then housing delivery at
these levels could be achieved consistently within the district, in accordance with wider economic objectives.

7. The Council should not be aspiring to suppress housing delivery in the context of strong growth ambitions within the County; past evidence of achieving high rates of growth; strong market signals indicating constrained supply (see Issue 2); worsening affordability and capacity to accommodate higher levels of development on land identified within the SHLAA that is free from ‘absolute’ development constraints (ie. Green Belt, AONB, Flood Zones 2 and 3).

8. The approach adopted; reducing the housing requirement below the OAN on the basis that historic delivery of housing has been lower over the past twenty years is entirely unjustified, when the capacity to respond positively exists.

9. Instead, the Council should be planning positively in accordance with their own evidence base and OAN to aspire to achieve much higher rates of housing delivery. As a minimum the Council should meet its own OAN (660 dpa/13,800) with a commitment to delivering higher rates of growth via a Local Plan review in response to meeting the as yet undefined scale of unmet need arising from Oxford City. The peaks in housing delivery achieved in West Oxfordshire in 2006 and 2007 coincide with the national peak in delivery, which is broadly equivalent to the rate of annual housing delivery that Government acknowledges is needed to respond positively to the national housing crisis that is widely accepted.

10. The Council claims that the latest SHLAA demonstrates there insufficient suitable and deliverable sites available to meet Options 4 and 5. This position is unjustified on the basis that the criteria used to assess suitability within the SHLAA are unduly restrictive.

11. The suitability of sites is based on a range of factors, which includes ‘landscape impact’ and ‘physical constraints’ that are not considered insurmountable taking into account their designation. Whilst PPG advises that such factors should be considered when assessing a site’s suitability for development, any such assessment, in absence of high levels of sensitivity/national significance, are necessarily subjective and should be weighed in the planning balance. A site’s suitability for development will depend to a large extent on how the balancing exercise is applied. If the objective is one of preserving local landscape character in preference to meeting housing needs then a site that is located on the periphery of a settlement may be deemed (unreasonably) to be unsuitable for development.

12. PPG is clear in its advice that in assessing the suitability of sites, plan makers should consider the appropriateness of identified constraints on sites/broad location and whether such constraints may be overcome. The SHLAA has not limited ‘landscape impact’ to national designations such as the Cotswold Area of Outstanding Natural Beauty (AONB); it has discounted sites on the basis of localised landscape impact. The weighting applied is considered to be flawed in the face of the evidence base, which identifies an OAN of 660 dpa that will require incursion onto undeveloped green field land to achieve the level of development required to meet the objectives of the SHMA and in turn the committed economic growth strategy for the County. Development of green field sites will necessarily have a visual impact. However, it is clear that the national imperative to boost significantly the supply of housing to meet the important social and economic objectives that underpin sustainable development must in this context outweigh local landscape impacts.

13. This approach reflects the views of the Inspector examining the Stroud District Local Plan, a district which bears similarities in terms of the environmental constraints faced by West Oxfordshire (Appendix 3).

14. By applying a more positive, less restrictive assessment of the sites already considered within the SHLAA it is clear that a number of sites outside the AONB, notably adjoining the settlements of Witney
and Carterton would be suitable for housing to help meet the OAN and OAN including a proportion of unmet need - Options 4 and 5 of the Sustainability Appraisal Report.

15. This response should be read in conjunction with GL Hearn pertaining to Issue 3, paragraphs 3.8 and 3.10.

16. In conclusion, if some of the unmet needs for Oxford City were to be met in West Oxfordshire, it is not considered that the spatial strategy proposed would need to be significantly altered.
ISSUE 2: IS THE IDENTIFIED OVERALL HOUSING REQUIREMENT IN THE PLAN (10,500 IN POLICIES H1 AND H2) JUSTIFIED AND CONSISTENT WITH NATIONAL POLICY AND GUIDANCE, LOCAL CIRCUMSTANCES AND ECONOMIC GROWTH?

The demographic starting point

2.3: The Council’s position is that the latest DCLG household projections (February 2015) should be used as the starting point in preference to the demographic modelling in the SHMA. Is this new starting point a necessary change or, nevertheless, a reasonable one for the Council to use in preference to the SHMA?

1. Paragraph 016 in the PPPG on Housing and Economic Development Needs Assessment advises that, wherever possible, local needs assessments should be informed by the latest available information; and that a meaningful change in the housing situation should be considered in this context. However this does not mean that housing assessments are rendered out of date every time new projections are issued. There have been no meaningful change in the housing situation such that the SHMA is rendered obsolete. Moreover, the Council does not propose a credible alternative to the SHMA, which it accepts remains the most up to date assessment of housing need within the HMA. Household projections are the starting point for assessment, not a firm basis for rejecting the SHMA’s conclusions.

2. While it is reasonable for the Council to consider the new projections, this does not support abandonment of the SHMA’s conclusions for West Oxfordshire.
Migration

2.5: Is an adjustment to the migration component of the DCLG projection for West Oxfordshire necessary? If not necessary, is the Council’s preferred adjustment still reasonable?

1. HOU1 sets out three core projections. The Council’s preferred demographic starting point is based on averaging linear projections of migration over 5 years (400 dpa) and 10 years (491 dpa) resulting in a need for 446 dpa. The DCLG Household Projections show a need for 458 dpa.

2. Paragraph 017 in the PPG advises that the DCLG Household Projections are statistically robust and based on nationally consistent assumptions. Plan makers may consider sensitivity testing – but any local changes would need to be clearly explained and justified on the basis of robust evidence.

3. Paragraph 3.45 of HOU1 states that the 2012 official projections are a reasonable assessment of household growth. However no evidence is provided to justify the use of different migration assumptions to those underpinning the DCLG 2012-based Projections. This suggests inconsistency in the Council’s approach.

4. The CLG Household Projections are ‘dynamic.’ They take account of changes in age structure in West Oxfordshire, and the spatial characteristics of in-migration to West Oxfordshire. This necessarily affects the way in which future migration is projected. This is more sophisticated than simple linear projections of past annual migration.
2.6: For the relevant years, the John Hollis calculation of the long and short term migration figures have included the ONS correction factor for the mid-year estimates 2001-2011 termed “Unattributable Population Change” (UPC). Is this reasonable?

1. As HOU1 sets out (Para 3.8), UPC could either relate to errors in 2001 or 2011 Census populations, or inter-Censal migration estimates. It may relate at least in part to international migration. However by its nature it is not possible to precisely ‘attribute’ UPC. In this case, the 5 and 10 year projections which include adjustment for UPC, considered together, do not provide a strong evidential basis for moving away from the CLG Household Projections.
2.7: Is an adjustment needed for international migration?

1. HOU1 sets out that recent international migration (2012-14) has been higher than in the period on which the 2012-based SNPP/CLG Household Projections are based. In Paragraph 2.7 it sets out that “the risk is that the projections understate the likely [population] growth of West Oxfordshire”.

2. Given the potential upside associated with international migration, there is little justification in adopting a demographic ‘starting point’ which falls below the latest CLG Household Projections.
Household formation

2.8: Is the HRR used in the latest DCLG projection reasonable, as relied on by the Council for the reasons given?

1. No. The HFRs need to be interrogated. We have reproduced the HRRs in Appendix 4. The evidence indicated that household formation for those in their late 20s and early 30s dropped notably between 2003-10. The projections indicate that HRRs for the 25-34 age group are projected to decline further over the plan period. In such circumstances Paragraph 015 in the PPG suggests that HFRs should be adjusted.
Affordable housing need

2.9: The SHMA (Table 54) identifies a net annual affordable housing need of 274 units for West Oxfordshire (excluding pipeline supply at that time). Other than the points raised by the Council, I see no evidence of substance to suggest that a significantly different figure/ methodology is justified.

1. We consider that the assessed need for 274 affordable homes per year remains appropriate. It adopts a consistent methodology which has been agreed across the Housing Market Area.

2. The Council states in WOLP1 that the 2012-based Household Projections could affect the assessed affordable housing need. The impact of this is minimal. The gross number of newly-forming households was assessed in the SHMA as 793 households per annum (Table 48). If this is recalculated using the 2012-based Household Projections the figure is consistent (798 households per annum). While overall projected population growth is lower, this has a negligible impact on the number of (gross) newly-forming households, many of which will arise within the existing population.
2.11: The SHMA addresses the current backlog over the 18 year assessment period. Is this a reasonable approach for West Oxfordshire, bearing in mind that it would ensure consistency with the approach recommended in the SHMA for the rest of the HMA?

1. This is a reasonable approach and one which has been agreed by the Oxfordshire authorities through the SHMA. It provides an affordable need expressed over a consistent timeframe to demographic projections – supporting comparisons between figures.

2. It does not imply that households will have to wait a number of years to be housed – there will be flows on and off the Housing Register year-on-year.
2.12: The SHMA uses a threshold figure of 35% of gross income being spent on housing costs in its assessment of affordable housing needs. For the reasons given in the SHMA (HOU2, 6.17 – 6.20) is it a reasonable assumption for the Oxfordshire HMA? Is there justification for adopting a 40% income threshold for West Oxfordshire as now sought by the Council (WOLP1, 3.38)?

1. 35% is a reasonable assumption. The SHMA analysis considers residual income once housing costs are taken account of in drawing judgements on the income threshold to be used. The assumptions were agreed by the Oxfordshire authorities through the SHMA. There is no clear evidential basis for departing from the SHMA.
2.13: Subject to the 3 caveats explained below, is the Council’s estimate of the delivery of affordable housing in the period 2013-31 of 2,298 dwellings reasonable (WOLP1 3.75 and 3.76)?

2.14: The Council includes 300 affordable units expected from large sites (WOLP1, 3.67). My preliminary view is that the 300 affordable dwellings expected from large site windfalls is unjustified. Any further comments?

1. Policy H3 seeks provision of between 30-50% affordable housing on schemes of 11+ dwellings/1,000+ sq.m with targets set out for three zones. Below these thresholds provision is sought only through financial contributions from schemes of 6-10 dwellings within the Cotswolds AONB.

2. Paragraph 3.130 in HOU1 states that during the 2001-14 period on average 20% of housing completions in the District have been affordable housing. Over the 2007-14 period 24% affordable housing delivery has been achieved. This is set against a policy framework which requires 50% affordable housing provision in most instances (30% for local plan allocations in Carterton and Witney), with a threshold of 15 dwellings in the main towns and 2 dwellings in rural areas.

3. The proposed affordable housing thresholds are now higher; and in some areas in the District the proposed Local Plan policy seeks lower percentages of affordable housing. Yet the Council is suggesting that 30% affordable housing can be achieved. This is unduly optimistic.

4. We have sought below to compare the estimated affordable delivery in WOLP1 with estimates of supply from different sources, based on figures within the Submitted Plan.

Table 1: Reviewing Potential Affordable Housing Delivery

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<thead>
<tr>
<th>WODC Estimated Affordable Delivery</th>
<th>Estimated supply from Submission Plan</th>
<th>Indicative % Affordable</th>
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<tbody>
<tr>
<td>Existing Commitments</td>
<td>1022</td>
<td>4333</td>
</tr>
<tr>
<td>Potential Delivery from SDAs</td>
<td>870</td>
<td>2200</td>
</tr>
<tr>
<td>Potential delivery from SHLAA sites</td>
<td>350</td>
<td>1142</td>
</tr>
<tr>
<td>Potential delivery from RES sites</td>
<td>270</td>
<td>2000</td>
</tr>
<tr>
<td>Potential delivery from windfall sites</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2812</strong></td>
<td><strong>9675</strong></td>
</tr>
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5. In HOU1 (Paragraph 3.134) the Council acknowledges that it is increasingly common for developers to negotiate away or significantly reduce affordable housing obligations on the grounds of viability; and that since April 2013 appeals against affordable housing requirements in existing planning consents are possible. The Council’s assessment of affordable housing delivery does not appear to take this into account having regard to supply from existing commitments.

6. HOU1 assumes 40% affordable housing delivery from Strategic Development Areas (SDA). However the Council’s Viability Assessment shows that 40% affordable housing provision on the North Witney SDA is not viable.

7. We consider on the basis of historical delivery and the Council’s comments in HOU1 that it would be realistic to assume a lower provision of affordable housing through SHLAA sites.

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1 We recognise Rural Exception Sites will deliver potentially 100% affordable. However as part of the supply we assume these will be treated as windfalls.
8. We agree with 2.16 in the Inspector’s Issues and Pre-Hearing Questions that given the policy threshold of 10 dwellings, inclusion of potential supply from windfall sites is inappropriate.

9. We consider that a more realistic assessment of affordable housing delivery would be for around 2,600 homes.

Table 2: Estimated Affordable Housing Delivery

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<th>Estimated supply from Submission Plan</th>
<th>Estimated % Affordable Housing</th>
<th>Estimated Affordable Housing Delivery</th>
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<tbody>
<tr>
<td>Existing Commitments</td>
<td>4333</td>
<td>20%</td>
<td>867</td>
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<tr>
<td>Potential Delivery from SDAs</td>
<td>2200</td>
<td>35%</td>
<td>770</td>
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<td>Potential delivery from SHLAA sites</td>
<td>1142</td>
<td>25%</td>
<td>286</td>
</tr>
<tr>
<td>Potential delivery from RES sites</td>
<td>-</td>
<td>-</td>
<td>270</td>
</tr>
<tr>
<td>Completions &amp; Commitments since Apr 15</td>
<td>-</td>
<td>-</td>
<td>386</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>2,579</strong></td>
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10. This level of supply (averaging 130 dwellings per annum dpa) would meet less than half (47%) of the identified affordable housing need. Even using the Council’s figures (160 dpa), there is a significant shortfall (114 dpa) against the assessed affordable housing need for 274 dpa. This provides a clear basis for a higher overall housing provision, in accordance with Paragraph 029 in the PPG.
2.19: The Plan’s proposed 525 dpa is a modest uplift on the new dwellings required to meet the demographic starting point from the DCLG projection (483 dpa, HOU1) and a greater uplift from the Council's preferred starting point of 446 new dwellings. Is a further uplift necessary? Is so, what is realistic?

1. There is clear evidence of affordable housing need. The SHMA evidence showed a high proportion of young people across Oxfordshire living with parents because they could not afford to form new households. We estimate that the housing provision proposed in the Plan would meet less than half of the identified affordable housing need, against a context where housing need is expected to grow.

2. If the housing requirement was increased to 660 dwellings per annum, in line with the findings of the Oxfordshire SHMA (HOU2), and additional SDAs brought forward, delivery of an additional 1,000 affordable homes could be achieved over the plan period (based on delivery of 35-40% affordable housing on additional sites). The allocation of additional SDAs would be best able to enhance the delivery of affordable housing.
Market signals

2.20: Do market signals support an uplift above the demographic starting point? If so, is this uplift complimentary with and similar in scale to the uplift parties consider justified in response to affordable housing need?

1. Yes. The SHMA (HOU2) shows notable affordability issues across the Oxfordshire HMA with average house prices almost a third above the national average (32%, Table 8) and some of the highest land values in the South East.

2. The SHMA analysis showed strong house price growth prior to 2008, but at a rate lower than in other parts of Oxfordshire. This is consistent with stronger relative housing delivery in West Oxfordshire – demonstrating that higher rates of housing delivery can contribute to price mitigation.

3. Bearing this out; since 2008, with much lower rates of housing delivery, house price growth in West Oxfordshire has been higher (in proportional and absolute terms) than in any of the other Oxfordshire authorities.

4. The SHMA evidence shows that lower quartile house prices were 9x average earnings of younger households in 2012; a clear impediment to household formation amongst this group (Table 13). The evidence shows a high proportion of young households living with parents; declining levels of household formation amongst the 20-30 age cohort; and a 35% increase in overcrowded households in West Oxfordshire (2001-11: Table 12).

5. The evidence shows clearly that positive economic growth and changes in population structure (associated with an ageing population) will necessarily lead to higher rates of in-migration (relative to past trends or what is planned for), in absence of restrictions on the supply of land for housing. The supply of land is a key determinant in respect of the rate of economic growth and house-price inflation. If the Local Plan does not support housing delivery on the scale justified by the evidence-base it will act as a constraint on economic growth and perpetuate deteriorating affordability. The plan is unsound on this basis.

6. The evidence very clearly justifies planning to meet the full Objectively Assessed Need as assessed in the SHMA (HOU2) for 660 dwellings per annum.
Economic strategy and growth

2.22: For the reasons given by the Council in WOLP1, including the closure of the Caterham F1 team in the district and the limited funding secured in the Oxfordshire Growth Deal compared with what had been sought to support the ambitions of the LEP Strategic Economic Plan and the related lower jobs growth expected to 2021, is the Council’s reliance on the baseline projection justified?

1. No. In the context of a local plan examination, policy on/off discussions are not relevant. The demographic inputs to the Committed Economic Growth Scenario were drawn from the SHMA. The Economic Forecasting work undertaken by Cambridge Econometrics and SQW (ECON2) was based on considering specific local economic dynamics and growth potential in Oxfordshire and the constituent districts. The two studies provided integrated evidence regarding economic growth and housing need. A key issue for this Local Plan to address is: What is a realistic level of employment growth to plan for?

Strategic Economic Plan

2. The Committed Economic Growth Scenario is consistent with the Oxfordshire LEP’s evidence and growth aspirations. West Oxfordshire District Council is a LEP Member and has signed-up to the joint strategy set out in the Strategic Economic Plan.

3. Paragraphs 3.85-6 of WOLP1 make reference to the July 2014 Oxfordshire Growth Deal. This needs to be taken in context: not all job creation is dependent on public funding or infrastructure investment. The 6,000 new jobs figure referenced at paragraph 3.85 is overall employment generation that will be supported by the Growth Deal funding between 2016-21.

4. The Growth Deal was also increased by an additional £10 million in January 2015 — with the expected impact that funding will now support creation of 9,000 new jobs.

Business Closures / Expansion

5. ECON2 sets out that the Committed Economic Growth Scenario assumed above-trend growth in advanced engineering and environmental technologies (Section 4.4). Reference to the potential expansion of Caterham F1 is highlighted as an example of a firm with expansion potential. However ECON4 caveated that “it is also possible that it will move Caterham Cars from Oxfordshire to Kent.”

6. The Scenario was based on potential for growth in advanced engineering and environmental technologies – not growth potential of specific firms. The latest evidence would continue to support above-trend growth potential in these sectors.

7. The West Oxfordshire Economic Snapshot (ECON1) identifies future sector strengths in West Oxfordshire, with cluster development potential in medical equipment and technologies/wider heathcare; advanced engineering; and the potential to grow professional and business services.

8. Recent evidence continues to support strong growth potential in areas identified in the Committed Economic Growth Scenario. Examples include Abbot Diabetes Care, which accounted in July 2014 that it is to increase its workforce by 10%; or Polar Venture Management which is to create 130 jobs at Eynsham.
Benchmarking the Projections

9. The *Baseline* projections predict employment growth in West Oxfordshire of 0.5% pa (2011-31). The *Committed Economic Growth Scenario* is based on employment growth of 0.8% pa.

10. Paragraph 018 in the PPG states that past trends and/or economic forecasts should be taken into consideration as appropriate when predicting future employment generation. Section 6.5 in ECON2 describes past employment growth rates. Between 1981 and 2000 West Oxfordshire achieved an average of 3.5% pa employment growth. Between 1990 and 2011, the annual average was 1.1%. Compared to past trends, the Committed Economic Growth Scenario forecasts relatively modest employment growth.
2.23: As argued by the Council, is the jobs led model used in the SHMA too circular and thus flawed to justify a housing requirement (HOU1, 3.80-3.89)?

1. No. The PAS Technical Advice Note recommends that demographic assessment and economic forecasting should be integrated when planning for housing. This is precisely what happened – the SHMA and Economic Forecasting for Oxfordshire (HOU2 and ECON2) were prepared in tandem, with the consultants working closely and SQW being part of the team on both.
2.24: Are other Councils in Oxfordshire still pursuing the *Committed Economic Growth* scenario in order to inform their Local Plans and Economic Strategies?

1. Yes. All other Oxfordshire Councils have prepared, or are preparing their economic and housing strategies within their Local Plans based on the *Committed Economic Growth Scenario*. The Cherwell Local Plan was recently adopted on this basis. The Vale of White Horse Local Plan, which is undergoing examination strongly emphasises the credibility of the scenario.
2.25: How does the baseline projection in ECON2 compare with more recent economic projections applicable to West Oxfordshire or Oxfordshire as a whole? Should any such more recent projections be preferred? Are they a reliable basis on which to align the housing requirement?

1. The baseline projection in ECON2 is for 0.5% pa growth in employment between 2011 and 2031. At the time ECON2 was prepared in 2013, Experian was projecting 1.2% pa growth in employment as Table 6.1 in ECON2 sets out.

2. GL Hearn has purchased an updated set of economic projections from Cambridge Econometrics, derived from the latest model (April 2015), which shows growth in employment of 8,400 between 2011-31 – equivalent to annual growth rate of 0.8%.

Figure 1: Projected Total Employment in West Oxfordshire – Cambridge Econometrics

3. The latest CE projections for West Oxfordshire therefore project growth in employment which is consistent with the Committed Economic Growth scenario.

4. Forecasts from the East of England Forecasting Model are available for the South East as a whole. The latest model run (late 2014) from these forecasts, from Oxford Economics, show 0.8% pa growth in employment between 2011-31.

5. More recent evidence simply reinforces that the Oxfordshire SHMA’s conclusions in respect of economic growth and housing need in West Oxfordshire are robust, the result being an OAN of 660 dpa.
2.26: If the baseline projection is justified, would there be an adequate labour force to avoid constraining economic growth? Is there adequate flexibility to allow for changing circumstances?

1. No. The latest evidence clearly indicates that there is strong potential for employment growth in West Oxfordshire. The adoption of a housing requirement within the Local Plan of 525 homes pa would inevitably suppress growth; run contrary to the Committed Economic Growth Scenario, to which all of the other Oxfordshire authorities have subscribed and constrain economic performance, contrary to this Government’s objectives.
2.28: Is the Council’s approach consistent with the Government’s commitment to securing economic growth and the role of the planning system in this regard (e.g. NPPF 18-20)?

1. The Council's approach runs in an entirely contrary direction to the Government's objectives in this regard. The NPPF is clear that the Government is committed to supporting and securing economic growth; moreover the Planning System should do *everything it can* to support sustainable economic growth. Planning to constrain growth, contrary to both local and national objectives, and in the face of an evidence base that is committed to securing growth is entirely counter-intuitive and is the antithesis of planning in a proactive and positive manner. (See GL Hearn response to Issue 1.17)
Overall approach

2.30: On the basis of the Council's different approach to identifying the OAN/housing requirement for West Oxfordshire compared with that set out in the SHMA for the whole HMA (e.g. updated demographic base, more limited uplift for affordable housing, different economic projection), does the Council's approach now comply with the NPPF paragraph 159 – to prepare a SHMA, working with neighbouring authorities where housing market areas cross administrative boundaries – and what are the implications?

1. It is important that housing need is assessed on a consistent basis across a Housing Market Area. It may be appropriate for a Council to update elements of the evidence base where new information has arisen – such as the 2012-based Population and Household Projections. However West Oxfordshire District Council has sought unilaterally to reject the jointly commissioned and agreed evidence base for the Housing Market Area and to challenge many elements of the SHMA, with the clear objective of suppressing levels of housing delivery, which the evidence shows could be achieved.

2. This statement demonstrates that the Council’s proposed adjustments to the OAN are not evidence-based and are unsound. The evidence supports an OAN for West Oxfordshire of 660 dwellings per annum, in line with the conclusions of the 2014 SHMA (HOU2). There is no credible alternative figure that is supported by clear and cogent evidence and the Council has failed to demonstrate that its proposed requirement is aligned either with the evidence base or national planning objectives.
ISSUE 3: WILL THE PLAN ENSURE THE DELIVERY OF THE IDENTIFIED HOUSING REQUIREMENT (10,500 IN POLICIES H1 AND H2) CONSISTENT WITH NATIONAL POLICY AND GUIDANCE FOR THE SUPPLY OF HOUSING AND LOCAL CIRCUMSTANCES?

3.8 Does the SHLAA provide sufficient evidence to demonstrate that, in addition to the above components of supply, there are sufficient suitable, deliverable/developable sites over the plan-period to provide the minimum of 10,500 dwellings?

3.10 If I were to conclude that the housing requirement should be significantly higher of that there was an unrealistic expectation of delivery from any sources above, I would ask the Council in the first instance to identify how any such difficulty could be addressed rather than suggesting any alternative sites myself. Any comment on this approach?

1. With reference to these questions, we cross refer to our responses at Issue 1 Q.1.17 and our overall response at Issue 2 particularly Q.2.30, GL Hearn maintains firmly the position that the conclusion of the 2014 SHMA – for 660 homes per annum in West Oxfordshire – is robust. In this respect, as noted in our response to Q.1.17, within the Pre-Submission Draft Sustainability Appraisal report a range of housing growth options were tested. Option 4 represents the midpoint range as identified in the SHMA 2014. In the reasons for rejecting Option 4 in Plan Making, the SA Report states:

“*The provision of 660 homes per annum would also place the District’s existing and planned infrastructure under greater pressure than Options 1 – 3 and would lead to the release of more greenfield land including potentially land within the AONB which covers around a third of the District. The Council’s updated Strategic Housing Land Availability Assessment (SHLAA) also demonstrates that there are not enough suitable and deliverable sites available to meet such a high housing target. This option was therefore rejected*” (page 49 of the Pre-Submission Draft SA Report).

2. With respect to the reasons for rejecting Option 4, the Council reference that the updated SHLAA demonstrates that there are not enough suitable and deliverable sites available to meet such a high housing target. GL Hearn does not concur with this statement and considers the approach within the SHLAA to assessing ‘suitability’ of sites to be subjective and flawed. The suitability or otherwise of sites has been based on a range of factors which include landscape impact and physical constraints. Whilst PPG advises that such factors should be considered when assessing a site’s suitability for development, an element of judgement is necessarily required and a site should not summarily be dismissed as unsuitable if a local landscape impact is identified.

3. PPG is clear that when assessing the suitability of sites, plan makers should consider the appropriateness of identified constraints on sites/broad locations and whether such constraints may be overcome. The SHLAA has not limited landscape impact to national designations such as the Cotswold AONB but has discounted sites on the basis of localised landscape impact. This is considered flawed on the basis that given the lack of previously developed land across the District, development on green field sites will be necessary to meet the OAN. Development on any green field sites will necessarily have a visual impact. However, it is clear that the national imperative to boost significantly the supply of housing to meet important social and economic objectives and delivery of housing in accordance with an established OAN must outweigh considerations around local landscape impact.

4. This reflects the views of the Inspector examining the Stroud District Local Plan, a district which bears similarities in terms of the environmental constraints faced by West Oxfordshire (Appendix 3).
5. By applying a more positive, less restrictive assessment of the sites already considered within the SHLAA it is clear that a number sites put forward close to the settlements of Witney and Carterton (in particular land to the West of Carterton) could be allocated for housing to help meet the evidenced housing need and the housing targets set out in Options 4 and 5 of the Sustainability Appraisal Report. Therefore, in the instance the Inspector considers the housing requirement should be significantly higher, the Council should be asked to revisit assumptions made within the SHLAA and take a more positive stance towards allocating sites for development.
APPENDIX 1

“In particular an early, focused review of the plan is likely to be needed to take account of unmet housing need arising from Oxford City.

Partnership working through the Oxfordshire Growth Board is currently underway to determine the extent of this unmet need and how it should be addressed across the County. If through this process, an element of additional housing is apportioned to West Oxfordshire District, there will be a need to undertake an early, focused review of this Local Plan”

APPENDIX 2

“The formal arrangements now in place between the various Oxfordshire Councils to fully address the results of the 2014 SHMA (HOU 12d) for the county, including the needs of the city, as now referred to in para B.89b of the plan, as modified, reinforce my conclusion that the duty to co-operate has been met by the Council in relation to this plan. Moreover, I also consider that these arrangements should materially assist satisfactory on-going co-operation. This is so notwithstanding that there is as yet no final agreement on how or where the new housing needs of the city that cannot be met within its boundaries, whatever they may be once finally assessed, would be met, as the duty-to-cooperate is not a duty to agree.

For the time being at least, with the important exception of Oxford City Council as referred to above, none of Cherwell’s neighbours has sought help in meeting their local housing or other needs and Cherwell has not asked any other authority to help them; nor does it intend to. Furthermore, no other significant cross boundary strategic issues relating to co-operation with neighbouring Councils or Reg. 4 bodies remain unresolved…Therefore, I am satisfied that the duty to co-operate has been met” (IR 10, 11 Cherwell District Council Local Plan, Inspector’s Report May 2015).

APPENDIX 3

“In line with the guidance in the NPPF, I have also considered the overall capacity for housing development within Stroud district. Although there are significant swathes of the Cotswolds Area of Outstanding Natural Beauty within the district, along with other constraints (such as flood risk, landscape and sustainability issues), unlike neighbouring areas, there is no Green Belt within the district. From the evidence provided by the Council, using sites already identified in the submission Plan (including the proposed West of Stonehouse site), it would seem that a minimum of 11,400 dwellings could be delivered in the period to 2031 without any further changes to the Plan” (paragraph 4, page 1, Inspector Views, 03/07/2015).
APPENDIX 4: PROJECTED HOUSEHOLD FORMATION RATES BY HEAD OF HOUSEHOLD – WEST OXFORDSHIRE

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1991-2023</th>
<th>2024-2037</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-34</td>
<td>CLG 2012-based</td>
<td>CLG 2011-based</td>
</tr>
<tr>
<td>35-44</td>
<td>CLG 2012-based</td>
<td>CLG 2011-based</td>
</tr>
<tr>
<td>45-54</td>
<td>CLG 2012-based</td>
<td>CLG 2011-based</td>
</tr>
<tr>
<td>55-64</td>
<td>CLG 2012-based</td>
<td>CLG 2011-based</td>
</tr>
<tr>
<td>65-74</td>
<td>CLG 2012-based</td>
<td>CLG 2011-based</td>
</tr>
</tbody>
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Appendices
Crest Strategic Projects (GL Hearn) 152

Source: Derived from CLG data