

South Oxfordshire Local Plan 2034

Matter 1 - Housing Requirement

CPRE Oxfordshire Hearing Statement, June 2020

CPRE Oxfordshire contends that the housing requirement is not soundly based. Our original submission in February 2019 to STRAT2 (available at <http://www.cpreoxon.org.uk/news/current-news/item/download/1001>) outlines many of the reasons underlying this statement. There are, however, additional reasons, which have emerged since February 2019 which add to these arguments, notably the Office of National Statistics (ONS) 2018 based subnational population projections.

In summary:

1. The SHMA on which the original figures were based is now grossly out of date. It was published in early 2014, over six years ago, and is, in fact, based on information from 2011. Much has changed in that time! We note in addition that the targets in the Oxfordshire Growth Deal are based on the SHMA and little attempt has been made to update this.
2. The plan requires a growth far in excess of the Government's Objectively Assessed Need (OAN) calculation. However we believe the OAN is itself flawed and exaggerated by adding an uplift intended to reduce prices when all experience is, and the seminal Kate Barker report confirmed, that you cannot build your way out of high house prices, the best you can hope to do is to slow the rate of house price inflation.
3. The household formation projections are a realistic guide to actual local need in South Oxfordshire. The household projections indicate a requirement for 10,000 new homes in South Oxfordshire over the Plan period, 435 houses a year, a quarter of the build rate planned from now, and a third of the total housing numbers in the proposed Plan.
4. The Plan would require a build rate of 1,633 a year on average, or 2.5 times the build rate to date. Looking at that another way that would be an increase in the housing stock of 2.5% for every remaining year of the Plan, six times the rate of the preceding ten years.

New issues which have arisen since our submission in 2019 are:

- a. We are aware that Government guidance mandates the use of 2014 based household projections as the baseline for calculating housing need. However, it is a matter of fact that these figures are looking increasingly untenable. The most recent release of population projections from ONS March 2020 (*Subnational Population Projections for England:2018 Based*, <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/subnationalpopulationprojectionsforengland/2018based>) show a substantial reduction in population growth for South Oxfordshire projected for 2035 compared with 2014 projections. Thus the ONS 2014 based projection shows an increase in population of 10,000 persons between 2020 and 2035 whereas the ONS 2018 based projections show an increase of only 5,400 persons, i.e. there will be half the growth in population suggested by 2014 based projection. The 2016 Objectively Assessed Need calculation is based on the higher 2014 based projection. These projections for South Oxfordshire are also mirrored by the projections for the whole of Oxfordshire and the South-East of England. They are the result of well-established demographic trends: a reducing birth rate, a stable life expectancy and a reduction of International migration from the very high figures found in the first decade of this century.
- b. By 2019 we will have built 5,700 houses and have 10,300 committed, adding up to 16,000. The OAN standard method suggests 14,000 so we have already overcommitted against our need by 2,000 houses (even against the exaggerated need calculation resulting from the OAN methodology - see note 2 above).
- c. We note that the proportion of homes that are empty has risen from 4% to 5.3% in 5 years. Between 2011 and 2016 in South Oxfordshire (ONS) 2,670 homes were built and 1,760 new households formed. Thus 900 of the increase in homes cannot be primary residences (adding to the 2,200 empty at the 2011 census). **This demonstrates that a significant proportion of building in the District in the past 10 years has not been fulfilling a housing need but providing second homes and investment vehicles.**
- d. CPRE believes the extrapolation of housing 'need' from 2034 to 2035 (and indeed from the SHMA and Growth Deal figures from 2031) are in error. The population and household projections all show a slowdown in growth in the 2030s compared to the 2020s and 2010s. The 2010 to 2019 growth rate was 0.63% per annum, the 2020 to 2029 growth rate will be 0.33% per annum and the 2030 to 2039 growth rate will be 0.17% per annum. These are robust projections based on the changing age structure in the District's population. **We therefore recommend the uplift from 2034 to 2035 should be 48 houses not the 1,630 proposed.**
- e. Covid19 will have a massive impact on industrial growth in the District and County. The Growth Deal (and underlying SHMA and Industrial strategy)

assume an ‘aspirational’ growth rate of between 6 and 7% per annum. This is the justification for the South Oxfordshire Plan to go well above the OAN figures. The OECD has recently estimated that the UK economy will shrink by 11.5% in 2020 and most industrialists predict it will be a number of years before the economy returns to its 2019 level. The discrepancy between the Growth Deal population and household growth figures and those assumed by the OAN requires an ‘accelerated’ economic growth requiring an influx of workers into the District. Clearly this is not going to happen and the Local Plan needs to be reviewed in the light of this.

- f. House building in the District has paused in the last few months. Whether the house builders can catch up (unlikely given the shortages of skilled labour in the County) and whether demand returns (again uncertain given the straitened circumstances of the country) are difficult to judge but the huge uncertainties suggest a complete rethink of building and growth targets is necessary.

The consequences of setting over ambitious housing targets which are unrealistic and unachievable would be dire for the District. The District would very likely to lose its 5-year housing supply - thus opening the doors to speculative building in our most precious landscapes and imposing a planning blight on villages across South Oxfordshire.

CPRE recommends that the District reduces its housing target to the Government’s own Objectively Assessed Need figure and commissions an impartial and transparent assessment of potential population and household growth to inform a new Local Plan.