

## Oxford Local Plan 2016-2036 Examination CPRE Oxfordshire response to Inspectors' Matters & Issues

### MATTER 1 - THE HOUSING REQUIREMENT

#### A. Introduction and Summary

CPRE is grateful for the opportunity to comment on the justification for, and therefore the appropriateness of, the Oxford Plan being based on the SHMA numbers. Authorities are required to have a credible OAN - but they are not required to adopt the strategy of Growth without constraint that underpins this SHMA.

To the contrary the Government recognises at para 11 in the new NPPF that any OAN, even one using its own standard method, may have to be moderated where environmental or other circumstances require.

Oxford contains exactly the moderating circumstances the Government had in mind. It is a small and compact City with an ancient built heritage. It is constrained by its medieval road layout and the two rivers that run through it, making it unsuitable as a development hub. It is additionally constrained not just by being closely surrounded by Green Belt (a Green Belt essential to its historic setting) but has Green Belt running through it along the river plains.

**These constraints are not problems but opportunities. They are the City's and County's assets.** It is they which attract tourism; it is they which create the University's environment; it is they which attract high value wealth creators to the City and County.

These are also the factors that make Oxford an inappropriate target for excessive development. Because of them, and because of careless past levels of growth, the City has limited development capacity (although exactly how limited is a point of contention).

All these factors make it inevitable that an excessive Growth target will result in "unmet need", and a demand that to serve the City it can only sustainably be met

adjacent to it - that is on Green Belt land. Apart from the unjustified harm that will do to the Green Belt, Oxford's effective exporting of its entire five-year supply exposure will destabilise the Plans of Neighbouring Districts and expose them to predatory development.

The SHMA is an open-ended Growth assumption. It is not planning at all but simply a representation of what might notionally be achievable with all constraints removed, and if there were no other considerations. In the Growth Deal which incorporates the 2014 SHMA figures, the Government accepts that these numbers are *higher than local housing needs*. That is some understatement - **the figures are 2.5 TIMES the Government's own assessment of household formation.**

It is true that the NPPF encourages Councils to consider planning for housing above the requirement of the "standard method" - but there is no compulsion to do so; on the contrary the same NPPF acknowledges that constraints such as Green Belt may result in even the standard method being excessive.

**The SHMA was not forced upon the City or on any other Oxfordshire Authorities. It was a choice not an obligation. It was the wrong choice.** In the light of the City's physical constraints; the economic risk of harming the environment and setting of the City; its surrounding Green Belt, it is evident that Oxford's SHMA based strategy is excessive, unjustified and unsound not just for the City but for its impact on its neighbours. **There are no sound reasons why the standard method should be exceeded, and very sound reasons why it should not.**

Indeed, containing as it does in the case of Oxford a 40% uplift on household projections, the standard method is itself too high a threshold for a City as constrained as this, as paragraph 11b of the NPPF recognises.

## **B. Alternative assessments of Oxford's housing requirement**

### **1. Household Projections**

The Government's household projections for Oxford for the period 2016-2036 call for 11,000 new houses, itself a dramatic 19% increase in housing stock over the Plan period reflecting trend economic growth and - if the houses are to be occupied - an equivalent increase in the City's population. It is in itself a challenging forecast.

### **2. Standard Method.**

Whilst the Household Projections call for an already challenging 550 houses a year for the Plan period, the Government's "standard method" ups this to 746 per annum, almost 40% more, and a greater than 25% increase in housing stock and population over the plan period.

This uplift, applied by the Government to its own assumptions about actual housing requirement, is said to be intended to resolve the issue of locally high house prices by over supplying the market.

The common though incorrect assumption that a relative reduction in house prices could be achieved in this way was comprehensively dismissed in the Kate Barker report commissioned under the Gordon Brown government. Basically, it showed that however many new houses might be built, market prices would be set by the greater number of existing houses coming up for sale on any day. In any event developers have no incentive to undercut their own prices on the one hand, or to build excessive number of houses to flood the market on the other.

Whether or to what extent the 40% uplift in the standard method will have the outcome said to be intended, it will certainly have the effect of increasing housing stock by 40% above the household projections level, and population with it, putting further strain on roads and services as well as land.

Paragraph 11 of the NPPF advises that the constraints of a City like Oxford can provide a strong reason for restricting (the OAN) in the Plan area as may also be the case where adverse impacts would outweigh the benefits.

**This indicates that if anything the unadulterated standard method is itself too high and that the raw household projections would be more appropriate as a Plan basis for Oxford.**

### **3. The 2014 SHMA and its update**

The Government's household projections indicate an actual Oxford requirement for 550 houses per annum during the Plan period and incorporate recent growth trends. The Government's "standard method" increases that by 40% to 746, which on whatever basis it is claimed to be justified, is a further housing and population growth uplift pure and simple.

The 2014 SHMA almost doubles the standard method, from 746 to 1400 houses per annum, targeting an implausible 50% increase in Oxford's total housing stock - and population - over the Plan period.

The SHMA is 2.5 TIMES the Government's household projections number, and 1.8 TIMES the Government's standard method, which itself requires 40% above trend housing and population growth. Ignoring the conflicts and complexities in the mathematics of the SHMA, the raw multiples described above are the very definition of excessive growth.

Acknowledging that the 2014 SHMA is out of date, that most of the foundations on which it was originally based have changed, and that affordability ratios have improved, the City has reworked the SHMA and, astonishingly, arrived at virtually the same total. In the scheme of things, though, these reworkings are a relatively minor matter and should not distract attention from the major issue.

That is, that the excessive growth strategy incorporated in the SHMA, which represents multiples not just of the Government's household projections but even of the Government's standard method (itself already enforcing 50% above trend growth) is simply not justified for a City constrained as Oxford is by its historic character and layout, its Green Belt and its containment by the hills that surround it. Indeed, it is not only not an unjustified strategy but a positively harmful one.

### C. Deliverability impact on surrounding Districts

Whilst accepting the SHMA without public examination, the Growth Board also assumed that less than half of it could be met with the City itself, that is that 15,000 of the 28,000 houses would form "unmet need" for surrounding Districts to accommodate. That implicitly left the City to provide only 13,000 of the 28,000 houses. The City now contends that it can only accommodate 10,884 (although we show that is very substantially understated in our response to Matter 2).

It follows therefore that Oxford is proposing to allocate to itself almost exactly the level of housing that the household projections indicate. Since the preference of the new unknown occupiers of all 28,000 houses will more likely than not be to live in Oxford itself, it also follows that the actual real world requirement in Oxford will match intended provision and consequently that five year supply targets in the City will be easily met.

The corollary will be that Oxford will have exported the entire five-year housing delivery exposure from its excessive forecast to its neighbours.

This is clearly unjust, especially as the "unmet need" will be incorporated in surrounding District's totals and may - logically inevitably will - lead to their loss of five-year supply and consequent exposure to "predatory development". That is neither in the public interest nor in the interest of the proper planning of the Districts involved.

This malign effect would be largely avoided if Oxford adopted the lower standard method, rather than the excessive SHMA numbers, which would reduce both the "unmet need" and the five-year supply exposure it carries with it.

### D. Affordable Housing

The household projections survey indicates the total housing need in Oxford for the Plan period. It is irrespective of affordability, house prices or any other consideration. It is reasonable to look at affordability within the household projections total, or indeed the standard method, but not as the City appears to do as the determinant of the whole trajectory. It is a circular argument to take the

affordability percentage from the SHMA and apply it as a fixed number as an increment to the standard method, especially as it has been modified from improvements in affordability since the 2014 SHMA was struck.

It cannot be known or assessed what income level future residents of the City will enjoy. To the extent assumptions can be made they must include that the trend since 2014 has been of improving affordability as rentals have been assessed lower and because mean income has leaped by 30% in just four years (Council response 1.15). Extrapolating these trends would suggest a very steep reduction in the need for affordable housing over the Plan period.

It is also necessary to recognise firstly that affordability improvement is already incorporated in the standard method - it is exactly the concern that the standard method 40% uplift seeks to address; and secondly that the best route to affordability is to build less expensive housing - smaller units at much higher densities - as we argue in our response to Matter 2.

### E. The Green Belt

Oxford is both surrounded and interspersed with Green Belt. An opinion poll commissioned by CPRE across Oxfordshire showed that 76% considered the Green Belt should not be built on despite acknowledged pressure for housing and other development, with only 12% saying it should. In fact, housing was seen as by far the greatest threat. This view was essentially the same in Oxford as in the rural areas and the County towns.

The essence of Green Belt policy is that whilst there may be occasion when “exceptional circumstances” may require the loss of Green Belt land, because its essence is its permanence, Councils should do nothing to deliberately create such a loss.

As the 1957 founding Green Belt Act put it ***“within the urban areas thus defined every effort should be made to prevent any further building for industrial or commercial purposes, since if this is allowed it would lead to a demand for more labour and in turn a demand for the development of additional land for housing.”***

Even as Oxford’s signature on the foundation of its own Green Belt was drying it was pulling down St Ebbes, an area of low-cost housing in the City centre, to build a carpark and shops - creating demand for more labour.

So it has continued, interspersed with applications to the Boundary Commission to extend the City’s limits over the Green Belt which now defines them. The record shows that each time a parcel of Green Belt land has been ceded to the City - at Barton and elsewhere - it has been removed from the Green Belt and built on.

The fact of the matter is that Oxford has never accepted that the purpose of the Green Belt was to constrain its own determination to grow.

The Green Belt rather than the land beyond it is at risk because the Growth Board has accepted the City's argument that land adjacent to the City is the only sustainable location for the City's unmet need; and all of the land adjacent to the City is in the Green Belt.

This argument has little substance - most of the employment created by Oxford spin-offs, and the housing to support it, could be elsewhere in the County - as until 2008 the County Structure Plan required - or indeed anywhere in the UK. But once a strategy of continuing uncontained expansion of the City, and the argument that urban sprawl over the Green Belt is the only sustainable way to accommodate it, is accepted, then the process will both accelerate and become irreversible.

**The immediate threat arises from the excessive SHMA numbers. Using the standard method numbers instead, combined with the improvement in densities discussed in Matter 2, would not only remove that immediate threat but provide some contingency. In the breathing space thus provided Oxfordshire's Spatial Strategy should return to the previous Structure Plan growth assumptions, allocating necessary growth, particularly in terms of employment, towards the County Towns rather than to the City and its Green Belt.**

## **F. Summary**

Taking into account the City's unique character and the economic asset that represents; its constraints, affordability, deliverability and the Green Belt; there is no justification for using the SHMA numbers as the basis for Oxford's Local Plan and every reason not to do so.

The appropriate strategy for Oxford's Local Plan, as the old County Structure Plans recognised, is for the City to seek to accommodate only need arising from the unforced demography and natural growth of its own population.

For these reasons the household projections represent the most reliable guide to Oxford's proper Strategy over the Plan period.

Since however the standard method, imposing as it does a 50% growth uplift, is the minimum acceptable in Government Policy, **then the standard method, and no more, should be the basis for the Local Plan, modified by the NPPF Para 11 recognition that Green Belt and other constraints should modify the standard method numbers.**

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We received the Secretary of State's called-in Burley decision APP/W4705/V/18/320820 just as our Hearing Statements were being finalised and too late to include an informed evaluation of it. However, it deals with the circumstances in which NPPF Para 11 is not engaged; the "scoring" of Green Belt sites; and the harm from merger of settlements amongst other matters in ways that appear to support the case we make on these issues. We are likely therefore to rely on it at the EIP.

## **APPENDIX 1 Note on review of “Unmet Need” allocations**

Although the NPPF at Para 137 makes it specifically clear that the assessment of unmet need where it might impact on the Green Belt rests with the authority claiming to suffer it, the Oxfordshire Growth Board pre-empted that process in 2016 and both assessed and allocated “unmet need” as being a total of 15,000 houses out of the SHMA total of 28,000, implicitly assuming an Oxford capacity of 13,000.

In this process they had little engagement or reliable evidence from the City; indeed, the Growth Board’s consultants, Fortismere, took the unusual step of stating in their report that the process had been unsound for that reason.

The upshot has been that whilst the methodology of the Growth Board allocations of Oxford’s unmet need to the surrounding Districts has been approved by Inspectors, all have stated that (quoting the Vale Inspector’s Report, with my underlining) *The figure of 2,200 dwellings (the Vale’s allocation) is therefore justified as the basis for meeting the housing needs of Oxford City in the LPP2. However, this figure has the status of a working assumption at this stage to be confirmed or adjusted through examination of the Oxford City Local Plan.*

A “working assumption” is defined in the OED as a theory likely to be improved later, in this case at the Oxford Examination in Public.

For this purpose it is noted that the City’s Capacity and HELAA paper attempts a reconciliation of the figures to the 2011-2031 timescale on which unmet need was allocated, but this calculation perpetuates the under counting of sites (both through omission and due to prioritising employment) and their capacity (through the low densities which made the Growth Board’s assumptions questionable in the first place). It also assumes the SHMA as a single requirement basis and does not consider the scenarios that would arise from the more appropriate standard method.

Nor is it clear how if the unmet need total was amended allocations would in fact be adjusted.

Neither Cherwell (as the Inspector rejected one of their site allocations) nor South Oxfordshire (whose Plan has not been examined), which together account for 9,350 of the total 15,000 houses allocated, have adopted Plans in place covering their allocation of unmet need. However, the other two Councils, West Oxfordshire and the Vale, have already chosen to adopt their Plans, and in the case of the Vale release Green Belt land to do so, without awaiting the confirmation of the Oxford numbers their Inspectors required.

This is especially relevant as it is CPRE’s view that the entire unmet need should be eliminated at this Examination when Oxford’s true capacity is assessed.