

CONFIDENTIAL NOTE

South Oxfordshire District Council & Vale of White Horse District Council

Oxford City Local Plan Examination: Housing Supply Matters

11th June 2024

Introduction and Purpose

1. Chilmark Consulting Ltd (CCL) are instructed by South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VOWHDC) to provide a short review of key points and issues arising with respect to:
 - a. the Oxford City Housing and Economic Land Availability Assessment (HELAA) Addendum (March 2024); and
 - b. the relevant parts of the Oxford City Council: Response to Inspectors' Matters, Issues and Questions – Matter 3 Housing Need and Housing Requirement ('the OCC Matter 3 Statement').
2. The very limited time available since receiving instructions on 10th June 2024 means that our consideration and review of the documents has been necessarily swift and focused on highlighting key areas for emphasis at the relevant Local Plan Examination Hearing (understood to be scheduled for Wednesday 12th June 2024).

Overall

3. Our overall thoughts are:
 - a. Oxford City Council (OCC) have made very few significant additions or changes to the underlying approach to housing supply evaluation or analysis following the Regulation 19 Draft Local Plan consultation and submission for Examination;

- b. there has been some acceptance by OCC of points made through the Oxford Capacity Assessment Review report (CAR) in relation to specific sites being appraised in the HELAA Addendum and tweaks to the types of sites to which the proposed 10% non-implementation rate is applied. This results in a modest uplift in the overall housing capacity for Oxford from 9,612 (483 dwellings per annum – dpa) to 9,851 (493 dpa) – see the HELAA Addendum (March 2024) at page 6;
 - c. OCC have accepted the need for presentational improvements and provision of additional information / data in future HELAA and evidence base documents;
 - d. The provision of a specific Housing Trajectory (in the HELAA Addendum) is welcomed as it was a key gap in the evidence base and Plan. The Housing Trajectory does however highlight issues of a lack of certainty of housing delivery (and potential shortfall) in the later years of the plan period (see below).
4. OCC have failed to really grapple with the details of housing supply particularly for small sites or identify effective approaches to overcome constraints to unlocking potential housing sites. Their approach and view appears to remain that small sites and windfall contributions will ‘sweep’ all this up. However the Plan lacks the necessary precision and certainty that is needed in the context of Oxford City’s overall housing need and complex land use, heritage and flood risk characteristics. Put simply, in this situation there is a real need to comprehensively examine the small sites, under-used employment sites and old retail units, infills and backland opportunities for intensification as part of an approach driving to minimising the need to ‘export’ unmet housing needs elsewhere. Marginal gains that could have been identified would all assist but are all within the windfall basket. This Local Plan lacks that detail when it is most critical.
5. More systematic analysis and further work during the plan preparation stages would have been very beneficial to really understanding and bringing forward greater potential future housing supply.

Site Size Thresholds

6. No change in approach is proposed by OCC.
7. Agree that sites of 5 or fewer dwellings will inherently come forward as windfall as they tend to be opportunistic and small scale.
8. The site size threshold used (10+ dwellings) broadly accords with national policy and practice, although NPPG considers it appropriate to consider all sites / locations capable of delivering 5 or more dwellings.
9. We agree with OCC that if the minimum threshold was decreased to 5+ dwellings then the windfall allowance would need to be adjusted to avoid double counting.
10. Smaller infill sites are harder to identify (as OCC note) but it is not unusual to use 5+ dwellings as the basis for assessing site capacity (in accordance with the NPPG).
11. In Oxford's circumstances a 5+ dwelling site size is an appropriate point to identify and appraise potential housing sites (CAR paragraph 6.5 c, page 113). This is due to the complex characteristics of land and sites in Oxford and in the situation where there is a significant housing need arising. It would offer a greater level of information on potential supply and likely delivery to support the housing trajectory.

Windfall Assumptions

12. No change in approach is proposed by OCC.
13. We agree that it is appropriate to include windfall development sites as part of the supply in Oxford (CAR paragraph 6.5 r, page 119).
14. Windfall rates show considerable variability over time arising from changes in definition of windfall site sizes / minimum housing output and also effects of pandemic and economic / development market uncertainties.
15. The windfall rate used (116 dpa) appears low in comparison with figure from the latest Oxford Authority Monitoring Report (AMR) at 136 dpa and from 2022 HELAA evidence (CAR, paragraph 6.5 s, page 119).

16. Query where the evidence is that OCC refer to in the HELAA Addendum at page 2 (March 2024) concerning analysis of the types of windfall sites and developments that comprise small sites completions so it is hard to understand whether it is appropriate to rely in future on the same sources of windfall as the past rates indicate (Permitted Development Rights changes for office to residential for example).
17. Variability in windfall delivery rates over time (the HELAA Addendum points to this) emphasises the importance of understanding potential small sites housing delivery contributions (therefore supporting the approach to assessing sites of 5+ dwellings rather than just 10+).

Sites in Flood Zones

18. No change in approach is proposed by OCC.
19. Role of the Oxford Flood Alleviation Scheme (OFAS). Clearly this would have a benefit in reducing flood risk in defended areas as OCC describes in the Local Plan and in the HELAA Addendum.
20. However the OCC position is that the OFAS could not be relied upon for “*improved protection of land for planning purposes*” (HELAA Addendum, page 3) as planning applications would have to consider the ‘undefended’ baseline position. This is despite the obvious point that land formerly at heightened risk of flooding would be defended and therefore with a lower risk resulting. Consequently, with a lower level of risk the potential to support housing or employment development on some sites currently precluded by flood risk could arise.
21. In light of scale of expressed housing needs why is there no consideration given to now taking account of the OFAS defence works as part of an updated baseline position to be agreed with the Environment Agency? (CAR, paragraph 6.5 e, page 115).

10% Non-Implementation Discount for Non-Delivery

22. A limited change in approach is proposed by OCC.
23. The OCC Matter 3 Statement identifies (paragraph 56) that the HELAA Addendum has adjusted the application of the 10% non-implementation discount so that it applies only

to sites that have not yet commenced; effectively covering fewer sites and therefore resulting in a slightly higher housing capacity assumption now.

24. The 10% non-implementation discount applied to sites in the HELAA Addendum results in a change to the overall housing potential (removing 504 dwellings from the potential supply according to HELAA Addendum, row D of the table at top of page 6).
25. OCC reasoning in the HELAA and the OCC Matter 3 Statement is that the non-implementation rate is to reflect the nature of the supply of sites in Oxford and to ensure capacity-driven figures are robust and realistic.
26. The CAR (paragraph 6.5 j and k, page 118) raises our concern that the NPPG does not require a non-implementation buffer but does expect appropriate risk assessment through the HELAA to consider the potential likelihood of delivery occurring on site. The HELAA suitability, availability and achievability tests are the appropriate risk testing and there is no real justification for a further reduction.
27. Even if a non-implementation buffer is accepted in principle, the OCC evidence does not justify why a 10% non-implementation rate is appropriate? (CAR paragraph 6.5 l, page 118). The HELAA Addendum (page 5) explains the 10% as a “*very reasonable assumption*”, but it is not explained why that is the appropriate rate other than it reflects the assumption applied in the Oxford Local Plan 2036.

Housing Trajectory

28. Table B of the HELAA Addendum and the proposed Housing Trajectory 2020 – 2040 graph (page 7 of the HELAA Addendum) offer an overview of the anticipated delivery trajectory for housing completions.
29. This can be generally welcomed, as the Plan and the evidence base previously excluded this information entirely. The OCC Matter 3 Statement also includes similar detail.
30. The Housing Trajectory graph does however show the scale of the uncertainty of future housing delivery in the period after 2033/34 (when the level of projected housing completions drops substantially below the annualised housing target and remains below for the rest of the plan period to 2040).

31. It is questionable as to whether the proposed Housing Trajectory is robust for the plan period in light of the significant shortfalls in the later plan period.
32. The HELAA Addendum indicates (final paragraph at page 7) that “*closer to the time, more up to date information would be available from landowners, planning permissions in place, and site allocations in future local plans, which will all improve the housing land supply situation in those latter years*”. Plainly, OCC don’t know how the latter years supply will be identified or brought forward and are relying on future local plan reviews, etc. With this uncertainty there is a clear risk that the planned housing will not be delivered with a consequential impact on meeting housing needs within the City area (and outside).
33. From the HELAA Addendum (pages 6 and 7) it appears that the proposed supply is likely to be short of the planned requirement or, at best, similar to it (i.e. lacking any headroom). This is the result of a capacity-led approach, but it is also, in our view, symptomatic of the lack of effective analysis and proactive approach to unlocking possible housing sites (our view that the HELAA approach is overly cautious and lacks proactivity remains – CAR paragraph 6.8 et seq., page 120 - 121) and reflects OCC’s approach which fails to really grapple with the actions that could be taken to overcome constraints to bring sites forward in light of the purported scale of housing need in the City. The NPPG at ID-03-21 explains the importance of working to overcome constraints (cross-referenced in CAR at paragraph 6.8 e, page 121).

Other Matters

34. There are a number of other points that may be worth picking up, as follows.
35. **Additional Sites** – 12 additional sites have been appraised in the HELAA Addendum as the OCC Matter 3 Statement notes at paragraph 56. The 12 sites were those identified in the CAR. The overall capacity figure was then updated from 9,612 dwellings to 9,851 dwellings representing 493 dpa to take account of the results of the additional sites analysis and for changes to the imposition of the 10% non-implementation rate.
36. **Category 3 Employment Sites** – paragraph 2.51 of the CAR raised concern that there had been no publicly available assessment of Category 3 employment sites potential

to deliver residential development (despite the Local Plan policies supporting change of use to residential). Paragraph 7.4 of the OCC Matter 3 Statement indicates that the Category 3 sites were reviewed during the preparation of the Local Plan including a desktop assessment followed by a site visit (there's no public evidence of the desktop or site review process for Category 3 that we have seen). Paragraph 7.4 of OCC's Statement then explains that the assessments confirmed that the majority of Category 3 sites are in current employment use and it would not be reasonable or proportionate to contact landowners about re-developing those sites when they are active. They are also concluded by OCC (paragraph 7.6) that they would only accommodate a modest quantum of development in future and would likely be windfalls. Therefore OCC conclude that Category 3 employment sites are already factored in to the windfall assumption. In the CAR (paragraph 6.5 e sub bullet 'Employment Sites' at page 115) the concern raised was that the lack of clear evidence for assessment of employment sites and the rejection of many of them was lacking and there was particularly a lack of mechanisms identified (as the NPPG expects) to help overcome constraints. This is especially important in the Oxford housing need context and where capacity-led housing delivery policies are being advanced by OCC.

37. **Urban Design Assessments** – The Urban Design Assessments for individual potential sites described in the HELAA (2023) at paragraph 2.2.4 is also referenced in OCC's Matter 3 Statement at paragraph 52. These were not made publicly available and were apparently prepared for internal use so it was not possible to examine those assessments in any detail. OCC's Matter 3 Statement explains that the key conclusions from the Assessments was explained in the site allocation policies and text but the underlying analysis and testing in each case was not transparent.
38. **Land Swaps** – the CAR raised the possibility of land swaps for various uses such as playing fields or green spaces for allotments, etc. It is appreciated that land swaps are not always easy to deliver and result in changes to the spatial pattern and accessibility for community uses; plainly however there are extensive playing and community uses within the City area that could be successfully re-developed for housing if the existing use were to be relocated elsewhere. OCC's Matter 3 Statement concludes that they would support swaps where there is a willing landowner (paragraph 8.6) but rejects the overall approach (paragraph 8.5), noting that "*pushing community uses to the outside edge of the city would completely undermine approaches to good urban planning*".

With a very large future housing need, limited land available in the city and a Local Plan predicated on pushing housing delivery well outside the city boundaries as unmet needs, OCC's spatial approach to housing reflects an undermining of good urban planning. Put simply the Council appear content to push housing outside of the city boundary but not other community / recreational uses.

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