

**SUPPLEMENTARY INFORMATION****Overview and Scrutiny Committee****12 November 2024**

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
5.	(Pages 3 - 14)	Proposed Cherwell Local Plan 2042 Appendix 4 and 5	Assistant Director Planning & Development	Published as a supplement due to size of document

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Proposed Cherwell Local Plan 2042

Local Housing Needs Assessment Paper

31 October 2024

Introduction

1. This paper sets out how the local housing need has been assessed for the Cherwell Local Plan 2020 to 2042 and considers whether or not there are any exceptional circumstances which justify an alternative approach to assessing housing need.
2. The key starting point for understanding housing needs is the Standard Method for Local Housing Needs. The Standard Method adopted in 2018 was based on 2014 household projections plus an uplift for affordability, subject to a 'cap'.

National Planning Policy Framework (NPPF, December 2023)

3. The NPPF states,

'61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area...'

National Planning Practice Guidance

4. National planning practice guidance provides the formula-based 'standard method' to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply.
5. The standard method identifies a minimum annual housing need figure. It does not produce a housing requirement figure.
6. The steps involved in applying Standard Method and the outcome in calculating Cherwell's housing need are as set out below:

Step 1 - Setting a baseline using the 2014-based national household growth projections

7. Using these projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period)

Year	Household Projection	Household Change
2024	64364	
2025	64907	543
2026	65434	527
2027	65956	522
2028	66481	525
2029	66997	516
2030	67526	529
2031	68063	537
2032	68582	519
2033	69090	508
2034	69580	490
Average Change Per Year		521.6

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections> (2014 based live tables)

Step 2 - Adjusting this baseline based on the affordability of the area (applying a median workplace-based affordability ratio where applicable)

8. The most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used.
9. No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4, the average household growth baseline should be increased by a quarter of a percent. An authority with a ratio of 8 will have a 25% increase on its annual average household growth baseline.
10. The affordability ratio for Cherwell is 9.67.

(<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratiooffhousepricetoworkplacebasedearningslowerquartileandmedian>)

The following calculation is applied:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

11. The adjustment factor is therefore:

$$((9.67 - 4) / 4) \times 0.25 + 1 = 1.35\%$$

12. The uncapped local housing need is therefore $521.6 \times 1.35 = 706$ homes per annum

Step 3 - where applicable, capping the level of any increase in housing need

13. Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), for Cherwell the local housing need figure would be capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10 year period identified in step 1; or
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).

14. In Cherwell's case the figure of 706 is less than the average annual housing requirement figure set out in out most recently adopted strategic policies (1,142 for Cherwell and an average of 220 per year for Oxford). A cap does not apply.

Total Housing Need for Cherwell

15. As set out above the current Standard Method for Cherwell produces a need for Cherwell of 706 homes per year from 2024 to 2042 (a total of 12,708 homes).
16. The Standard Method outcomes for the first four years of the Plan period (2020-2024) were 756, 713, 742 and 710 – a total of 2,921 homes.
17. Total housing need for Cherwell for the Plan period under the Standard Method is therefore 15,629 homes.

Exceptional Circumstances for Considering An Alternative Approach

18. The NPPF (para. 61) states, '*There may be exceptional circumstances, including relating to the particular demographic characteristics of an area which justify an alternative approach to assessing housing need; in which case the alternative approach should also reflect current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for*'.
19. National Planning Practice Guidance considers when might it be appropriate to plan for a higher housing need figure than the standard method indicates:

'The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities are encouraged to make as much use as possible of previously-developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities and urban centres uplift may strive to plan for more home. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests'.

Growth Strategies

20. Oxfordshire is in the last year of the extended Oxfordshire Housing & Growth Deal which included support to help deliver 100,000 new homes across Oxfordshire between 2011 and 2031. Announced in 2017, the deal provided for £215million of Government investment for new homes and infrastructure across Oxfordshire.
21. The planned growth to contribute to this is contained within the Cherwell Local Plan 2011-2031 and the Partial Review of that Plan and sites continue to be delivered. Allocated sites not yet delivered will be proposed to be saved by the new local plan or will mostly be reallocated where there is a change of circumstances.

Unanticipated housing supply has also come forward since the 2015 Plan was adopted. There is no additional housing need arising from the Growth Deal.

Strategic Infrastructure Improvements

22. There are no identified strategic infrastructure improvements leading to additional housing need. Additional provision is being proposed to support the delivery of the North West Bicester strategic development as part of the Bicester Garden Town programme. An additional 1,500 homes are proposed to add to the 6,000 presently planned, a total of 7,500. It is expected that 4,300 of these would be provided beyond 2042.

Unmet Housing Need from Oxford

23. A Housing and Economic Needs Assessment was jointly produced with Oxford City in 2022. The Oxford Local Plan Inspectors wrote to the City Council on 11 September 2024 and advised that, ‘...the robustness of the HENA is questionable, and its recommendations flawed’ (para.61). It has therefore been withdrawn from this Council’s evidence base.
24. On 26 September 2016, the Oxfordshire Growth Board (now the Future Oxfordshire Partnership) considered a report summarising the output of countywide work in the interest of assisting Oxford with its unmet housing need.
25. The Growth Board decided on an apportionment of 14,850 homes to the district and city councils. Cherwell District was asked to consider the accommodation of 4,400 homes in addition to its existing Local Plan commitments and the countywide apportionment was embedded in a Memorandum of Cooperation signed by five of the six Oxfordshire Councils in 2016.
26. Oxford’s existing Local Plan (2016-36) is informed by a roll-forward of a Strategic Housing Market Assessment in 2018 – a need of some 1,346 homes per annum to meet its affordable housing needs in full. Its current need figure from applying the Standard Method is 762 homes per annum.
27. In evidence to its Local Plan Examination (*response to Inspectors’ Matters, Issues and Questions - Matter 3: Housing need and housing requirement*) Oxford City Council stated that it had capacity to accommodate 493 homes per annum to 2040. Under either scenario there is housing need to meet and we are continuing with our commitment to meet the identified need for 4,400 homes previously identified by retaining relevant Local Plan policies. We do not consider that we need to accommodate additional housing need for Oxford in this Local Plan. At a meeting on

15th October 2024, under the Duty to Cooperate, Cherwell and Oxford City Council reached an understanding that the 4,400 dwellings would be brought forward to meet unmet need. No additional accommodation was requested.

Demographic / Other Housing Need Circumstances

28. A report on demographic change had not been produced to replace the withdrawn HENA (2022). However, a separate assessment of the need for affordable housing, the size and types of homes, of older and disabled people and other specific housing areas such as self-build and private rented accommodation has been produced to inform the Local Plan policies. There are no exceptional circumstances arising from this work to depart from the Standard Method.

Economic Circumstances

29. In their letter of 11 September 2024, the Inspectors for the Oxford Local Plan Examination advised,

‘Historic suppression of migration and household formation, affordability issues and high levels of in-commuting are also cited as exceptional circumstances. However, the PPG advises that the affordability adjustment is applied to take account of past under-delivery. There is no need to address under-delivery separately. Although the standard method is based upon projected household growth rather than economic growth, this of itself is not an exceptional circumstance. While Oxford City has a buoyant economy, the Standard Method would provide additional housing, which would support jobs growth. There is no clear justification in this case for departing from the standard method, exceptional circumstances do not exist’ (para. 47).

30. Cherwell’s economy is also relatively strong. One simple illustration is that Cherwell’s employment rate was higher than across the South East as a whole in the year ending December 2023:

‘Of people aged 16 to 64 years living in Cherwell, 84.7% were employed in the year ending December 2023’.

<https://www.ons.gov.uk/visualisations/labourmarketlocal/E07000177/>

31. This compares with 79.3% across the South East and 80.8% in Oxford. The Oxford’s Inspectors’ conclusions in this regard are therefore of some relevance

Previous Assessments of Need

32. The 2014 Oxfordshire Strategic Market Assessment produced a housing need of 1,142 homes per year for Cherwell (2011-2031). This is significantly greater than the

706 per annum generated by the Standard Method. However, as noted by the Oxford Local Plan Inspectors, ‘...the Oxfordshire Memorandum of Co-operation (2016) and adopted Local Plan commitments were based on a different assessment of housing need, produced ten years ago and covering a different time period’ (para. 28). The SHMA is not a ‘recent’ assessment and we do not rely on it for producing the new Local Plan.

Making Use of Previously Development Land

- 33. The district does not have levels of previously developed land that would lead to a higher level of need. Regeneration of Banbury Canalside features in Local Plan proposals and former RAF Upper Heyford (now Heyford Park) benefits from an existing site allocation, has an approved masterplan and forms part of our existing housing supply.

Overall Housing need

- 34. Cherwell’s overall housing need is as follows:

Previous Standard Method 2020-2024	756+713+742+710	2,921
Current Standard Method	706 pa x 18 years	12,708
Cherwell Total Need		15,629
Oxford Unmet Need Rolled Forward		4,400
Total Need		20,029
Annual Need (22 years rounded up)		911

- 35. It is considered that there are no exceptional circumstances to depart from the Standard Method.

Review of the NPPF and Proposed Transitional Arrangements

- 36. Between July and September 2024, a consultation was held on changes to the NPPF. The outcome of the consultation is awaited. There are proposed changes and transitional arrangements that we need to consider.
- 37. Proposed changes to the national ‘Standard Method’ for assessing housing needs include moving away from a household projection-based approach to one that provides for a 0.8% increase on housing stock with a more significant adjustment for affordability than the existing Standard Method. The potential outcomes were published for Local Planning Authorities with Cherwell’s current need possibly rising from 706 homes per year to 1095 homes per year.

38. The Government has advised, ‘...to help local planning authorities with advanced plans to proceed to examination at pace and support the Government’s ambition to build more homes, those plans that have reached Regulation 19 publication stage but not yet been submitted for examination one month after the revised framework is published, with a gap of no more than 200 dwellings per annum between the local planning authority’s revised LHN [Local Housing Need] figure and its proposed housing requirement (as set out in the Publication version of the plan), should...progress to examination under the version of the NPPF it has used when preparing the plan thus far’. The draft NPPF clarifies that the housing requirement can include any unmet need arrangements.
39. Publication of the final revised NPPF is anticipated in December 2024 or early in 2025. However, this Plan has been prepared under the existing NPPF and it is anticipated that transitional arrangements could apply.

Housing Requirements

40. Cherwell provided 4,477 new homes from 2020-2024, has land supply for another 12,525 homes and has planned sites for the 4,400 homes to help Oxford. A total of 21,402 homes. There is no reason why identified needs cannot be met from existing supply, notwithstanding other planning reasons and assessment for providing additional supply.
41. The Plan proposes a housing requirement equal to the need for 911 homes per annum from 2020 to 2042 – a total of 20,042 homes.
42. On this basis, the Local Plan would be within 200 homes of the suggested housing need outcome from the proposed new Standard Method and would benefit from the transitional arrangements

Conclusion

43. In conclusion there are no exceptional circumstances that would justify an alternative approach for Cherwell in assessing housing need

Position Statement on Emerging Technical Documents

31 October 2024

Heritage

Chris Blandford Associates have provided a heritage impact assessment to cover all of the proposed allocations within the Plan with the exception of the site at South East Woodstock. This report is to be published on 4 November 2024. Consultants LUC have provided a single heritage impact assessment for the South East Woodstock site. This report is to be published on 4 November 2024. English Heritage have been consulted upon the methodology and reports.

Employment

Following the examination into the Oxford City Local Plan 2040, where the Government appointed Inspectors expressed significant concerns in respect of the jointly commissioned Housing and Economic Needs Assessment, prepared by consultants Icen, Cherwell District Council has chosen to withdraw this report from its evidence base documents. Consultants, Lambert Smith Hamptons have been asked to produce an update to their 2021 Employment Needs Assessment to reflect the latest employment projections.

Strategic Flood Risk Assessment

Consultants Wallingford Hydro Solutions have produced a Level 1 and Level 2 Strategic Flood Risk Assessment. These reports are to be published on 4 November 2024. The Environment Agency have been consulted upon the methodology and reports. The Council will publish its Sequential and Exception Test report alongside the publication of the Plan.

Sustainability Appraisal

A full non-technical summary of the Sustainability Appraisal will accompany the Executive Report to address the key issues and reasonable alternatives. The full report will be published alongside the consultation.

Habitats Regulation Assessment

Consultants AECOM are preparing a Habitats Regulation Assessment to support the Regulation 19 Local Plan. The preliminary indication of the HRA is that the Cherwell Local Plan 2042 will not result in an adverse effect on the integrity of Oxford Meadows SAC.

A full final document will be available for Executive.

Gypsies & Travellers Assessment

Consultants Arc4 are preparing a Gypsy and Traveller, Travelling Showpeople and Boat Dweller Needs Assessment on behalf of all OXON authorities. The OXON authorities are at different stages in their Plans preparation and Arc 4 has prioritised the finalisation of the Cherwell needs assessment. The results of the assessment have been incorporated into the draft Regulation 19 text. The full report will be available for the Executive.

Health & Equalities Impact Assessment

Consultants, Savills, are preparing a comprehensive Health & Equalities Impact Assessment for the Regulation 19 Local Plan. A full final document will be available for Executive. Initial recommendations have been incorporated into the plan text.

Transport Modelling

Consultants Sweco are undertaking transport modelling on behalf of Oxfordshire County Council and Cherwell District Council to inform the Regulation 19 Local Plan.

Transport measures included in the draft Regulation 19 text have been informed by Oxfordshire County Council. The full report will be available for the Executive.

Local Housing Needs Assessment (Affordable & Specialist Housing)

Following the examination into the Oxford City Local Plan 2040, where the Government appointed Inspectors expressed significant concerns in respect of the jointly commissioned Housing and Economic Needs Assessment, prepared by consultants Icen, Cherwell District Council has chosen to withdraw this report from its evidence base documents. Consultants, Justin Gardner Assoc are producing an updated housing needs assessment focussing specifically on the requirements for affordable and specialist housing. The results of the assessment have been incorporated into the draft Regulation 19 text. The full report will be available for the Executive.

Air Quality Assessment

AECOM consultants have been appointed to undertake the air quality modelling and to produce the Air Quality Assessment. The air quality modelling for the Oxford SAC and the CDC Air Quality Management Area 1 has been completed. The results of the work have been fed into the Local Plan. A draft report will be published alongside the Regulation 19 Plan. The full report will be ready for submission.

Infrastructure Delivery Plan, Schedule of Infrastructure and Infrastructure Funding Statement

LUC consultants have been appointed to produce the Infrastructure Delivery Plan incorporating an Infrastructure Schedule. They are also producing an annual Infrastructure Funding Statement. The Infrastructure Delivery Plan is a live document that is continually updated as and when information is received. During 2024 the Consultants have consulted and engaged with a wide variety of Infrastructure providers. The consultants are still waiting for responses from some organisations. Oxfordshire County Council have been proactively meeting and engaging in the production of the IDP. The outputs available have been incorporated into the draft Regulation 19 Plan.

Local Plan Viability Assessment

HEB consultants have been appointed by CDC to undertake the Local Plan Viability Assessment Modelling and to produce the Local Plan Viability Assessment for the Regulation 19 Local Plan. HEB are currently modelling the Local Plan Assumptions. The initial outputs have informed the draft Regulation 19 Plan including the affordable housing requirements. The final report will be available for the consultation.

Landscape Character Assessment

Consultants LUC have prepared an updated landscape assessment to replace the Cherwell District Landscape Assessment, 1995. The results of the assessment have been incorporated into the draft Regulation 19 text. The full report will be available for the Executive.

Local Landscape Designations

Consultants LUC have identified special landscapes within Cherwell that have 'above ordinary value'. The results of the assessment have been incorporated into the draft Regulation 19 text. The full report will be available for the Executive.

Green Gaps Study

Consultants LUC have assessed the role of land associated with Banbury Bicester and Heyford Park in maintaining settlement identity and avoiding coalescence between settlements. The results of the assessment have been incorporated into the draft Regulation 19 text. The full report will be available for the Executive.

Draft Policy COM 13 lists the proposed strategic gaps. The LUC study in full and Local Plan Appendix 10 with the strategic gaps and their characteristics and guidance will be available for Executive.

Site Specific Landscape Assessments

Consultants LUC have assessed the landscape sensitivity of sites to inform the preparation of the Regulation 19 Local Plan. The results of the assessment have been incorporated into the draft Regulation 19 text. The full report will be available for the Executive.

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