

South Oxfordshire and Vale of White Horse Joint Local Plan EIP

Matter 3 - Housing Target Requirement

Issue – Whether the Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the overall provision for housing and the housing requirement?

Policy HOU1

The Planning Practice Guidance (PPG) indicates that the local housing need (LHN) calculations using the standard method may be relied upon for plan making for a period of 2 years from the time that the plan is submitted for examination. Consequently, the Inspectors requested that the LHN be recalculated for the respective Districts.

The Councils have set out the recalculation of the LHN in the 'Response to Inspectors' Request' [LPA63]. Table 1 shows that the recalculated LHN would be 4.7% less than the submission local housing need. Table 2 shows the updated LHN applied to the JLP plan period (2021-2041) and including the previously agreed unmet need from Oxford City Council. This shows that South Oxfordshire's LHN would reduce by 540 dwellings (-3.3%) and Vale of White Horse's LHN would reduce by 600 dwellings (-4.1%) over the plan period.

Q3.1 With reference to the 'Housing and Economic Needs Assessment' PPG (as updated on 16 December 2020):

Is LPA63's proposal to back-date the recalculated LHN to the start of the Plan period justified?

No this approach is not justified. The assessment of housing need using the standard method is a forward-looking assessment of needs that uses the affordability indicator as a proxy indicator reflecting past delivery. This is confirmed in 2a-011 of PPG. To back date the standard method as proposed fails to recognise this key principle in the standard method. This was most recently recognised by the Inspector examining the Winchester Local Plan which also looked to back date the standard method in order to take account of supply in excess of the standard method prior to the point at which it was calculated. This was discussed at length at the hearing with inspector concluding in her post hearing note

“However, I am not convinced by the way in which the Council has derived the Plan's housing requirement from LHN. The Plan's most recent calculation of LHN was in 2024. The Plan's housing requirement as set out in policy H1 runs from 2020-2040. The Plan's housing requirement therefore includes completions since the start of the Plan period. It therefore includes completions that took place before the latest calculation of LHN.

The calculation of LHN is a forward-looking assessment of housing needs. From the point at which LHN is calculated it takes account of what has happened in previous years. The National Planning Practice Guidance (PPG) confirms that in calculating LHN using the standard method, the affordability adjustment is applied to take account of past under delivery. Whilst the PPG refers to past under delivery in this light, and is silent on over-delivery, I take a common-sense approach on this matter. For this reason, past supply prior to the latest calculation of LHN (2024) should not be taken into account in deriving the Plan's housing requirement due to the effect of the affordability ratio in the standard method."

This approach was then confirmed in paragraph 98 and 99 of her final report:

"98 Local plans should be up to date and the calculation of LHN should be a for-ward-looking assessment of housing needs. National guidance expects LHN to be calculated at the start of Plan making and kept under review and revised where appropriate. However, each calculation of LHN amends the previous calculation.

99. Using the most recent calculation of LHN results in a LHN of 10,816 dwellings 2024-2040. The Plan should be corrected to indicate the latest calculation of LHN in 2024 running to the end of the Plan period which is 2040. That is necessary to ensure that the Plan accords with national policy, is positively prepared, justified and effective."

However, it is HBF's position that the plan period in the submitted plan is unsound for the same reason as the assessment of housing needs was calculated in 2023/24 and based on the most up to date evidence in that year. It is unsound for the Council to have a plan period that takes into account under or over supply from previous years.

Should the local housing needs assessment be recalculated as is being proposed by the Council then the plan period must be brought forward to the year in which it is calculated – in this case 2025/26.

If the housing need is recalculated, then the plan period should be brought forward to the year in which the assessment was undertaken – in this case 2025/26. However, even if the LHNA is not updated the plan period should be moved forward to 2023/24.

Would proceeding on this basis effectively address the implications of any under-supply that may have been factored into the previous LHN calculation (see PPG Paragraph: 011 Reference ID: 2a-011-20190220 Revision date: 20 02 2019)?

Proceeding with an amended plan period starting from the year in which the housing needs assessment was undertaken would be consistent with the standard method, which takes into account supply from previous years through the affordability adjustment. This would also better align with the assessment of housing need in the Oxford City Local Plan which, in line with PPG, looks forward from the point at which needs were assessed.

Are adjustments needed to the calculation presented in Table 2 of LPA63?

HBF considers the Council to have applied the standard method correctly and that the number of homes the Council have agreed to deliver to support Oxford City meet its housing needs should be included in the total housing need to be addressed by SODC and VoWH.

Q3.2 In light of the above, should the housing requirement set out at Policy HOU1 be amended to reflect the recalculated LHN set out at Tables 1 and 2 of LPA63 in order to achieve a justified Plan?

Firstly, the housing requirement in HOU1 must be amended to remove the period prior to when housing needs was assessed. As to whether the annual housing requirement should be amended it must be noted that while Paragraph 2a-008 of PPG states that this should be revised where appropriate. Given that the change in the assessment of housing need is just 27 dpa in SODC and 30 dpa in VoWH HBF would question whether there is sufficient justification for reducing the housing requirement, especially given that this plan is being examined under that transitional arrangements and it is recognised that housing needs in SODC and VoWH are significantly higher than as assessed using the current standard method.

Q3.3 Are there any implications of the recalculated LHN for the Joint Housing Needs Assessment [HES15/1]? In particular, are there any implications for the identification of affordable or specialist housing needs in the districts?

This for the Council to answer.

Q3.4 Are there any implications of the recalculated LHN for the evidence base studies supporting the Plan including:

- Infrastructure Delivery Plan (IDP) [CSD05.1]/IDP Update (May 2025) [LPA17].
- Viability Report [ITV04].
- Employment Land Needs Assessment 2024 (ELNA) [HES08/HES08.1]

While this is primarily for the Council to answer, given the level of delivery being proposed by this plan exceeds the requirement there should be no particular impact arising from the recalculated housing needs assessment or an amended plan period.

Q3.5 Are there any implications of the recalculated LHN for meeting future jobs growth taking account of the Councils' Note on the revised housing/employment balance related to the ELNA's hybrid scenario [LPA34]?

No comment.

Q3.6 Has there been further discussions/agreements with Oxford City Council in terms of how the JLP seeks to accommodate the previously agreed unmet need for example, the use of a stepped trajectory and not identifying a separate trajectory or specific sites to meet the unmet need for Oxford City Council. If so, are any Main Modifications (MMs) necessary to accommodate any changes arising from the discussions/agreements?

This is principally for the Council to answer. However, as set out in our matter 2 statement HBF considers it necessary

for soundness for the Councils to specifically identify in policy (such as at point 10 of SP1) those sites that will contribute towards Oxford's unmet housing needs in the JLP. Only by specially identifying which sites are required to meet Oxford's needs can there be any certainty in the face of future higher housing needs in SODC and VoWH that the commitment to meet Oxford's needs will continue into the new local plan. Consideration could also be given to identifying those strategic sites on the edge of Oxford within the settlement hierarchy noting that these are an essential part in meeting Oxford's unmet housing needs.

The Submission Joint Local Plan includes an uplift to address unmet housing need from Oxford within the period agreed in the previous Local Plans (South Oxfordshire: 4,950 homes between 2021 and 2035 and Vale of White Horse: 2,200 homes between 2019 and 2031). Suggested principle 7 of the Councils' response (Appendices 3 and 4 of LPA42) to Oxford City Council's formal request to assist with Oxford unmet housing need (Appendix 1 of LPA42) recognises the need to honour these existing commitments.

Part 3 of the Response to Inspectors' Request (LPA63) provides an updated position in terms of newly arising need from Oxford City Council. The emerging OLP 2045 identifies an unmet need total of 12,473 dwellings in the period 2025-2045. Suggested principle number 6 of the Councils' response (Appendices 3 of LPA42) to Oxford City Council's formal request to assist with Oxford unmet housing need (Appendix 1 of LPA42) recognises the need to calculate unmet need for the years that overlap between emerging plan periods.

Q3.7 Has any further work been undertaken to identify the degree of overlap between the Plan periods for the respective Districts? Has any such work sought to quantify any net additional newly arising unmet need over and above the previously agreed unmet need?

This is for the Council to answer.

Q3.8 What proportion of the unmet need identified in the emerging OLP would South Oxfordshire and Vale of White Horse Councils be expected to accommodate? What implications would this have for the respective housing requirements?

Table 5 of LP63 sets out the position relating to Oxford's unmet housing needs. At present it is agreed that there will be shortfall of 12,473 homes in Oxford between 2025 and 2045. Of this SODC are proposing to meet 40% these needs and VoWH 15%. The proportion of unmet needs that the Councils have agreed to meet will form part of each housing requirement. However, on the basis that these unmet needs are from 2025 to 2045 and the assessment of housing needs take account of previous under supply¹ there is a question as to whether supply in SODC or VoWH from before 2025 can be considered to be addressing unmet needs in the future. If the Councils position is that the standard method takes account of under supply, then past delivery cannot be used to meet future unmet housing needs, as this will have been a factor in the affordability adjustment used in assessing Oxford's housing needs. This would then necessitate a higher housing requirement including Oxford's unmet needs to be applied from 25/26 to the end of the plan period as opposed to 2021/22 to 2031/32 in SODC and 2021/22 to 2030/31 in VoWH.

¹ PPG Paragraph 68-031.

Q3.9 Are there any suggested MMs arising from the recalculated LHN or the emerging position on newly identified unmet need from the emerging OLP?

This is for the Council to answer. As set out in our response to Q8.3 there may need to be a main modifications to the housing requirement to reflect the Councils position regarding period over which Oxford's unmet needs have been assessed.

Q3.10 In overall terms, are the respective housing requirements justified?

The use of the standard method and inclusion of Oxford's unmet needs in the housing requirement is justified. However, HBF remains concerned with regard to the plan period and how Oxford's unmet needs are included within the annual housing requirement.

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